

Treasurer's Report

Taking off my Treasurer's hat and putting on my Materials Research Society member hat, I ask the MRS Treasurer, "What difference does the MRS budget make to me and to my travel budget? And when are we going to have the MRS Fall Meeting in the Bahamas?" Taking off that hat I answer, "The budget is important to your research as explained below; I'll have to get back to you on the Bahamas."

MRS is about meetings, first and foremost, but it is also about publications, public affairs, education, and lots of Society-mediated interactions between materials researchers. Assuredly, this activity and its behind-the-scenes support cost money, which is raised through my fees and yours from our research budgets. While I do not calculate return on investment in my daily life and I bet you don't either, when I settle accounts after a week in San Francisco or Boston, the cost causes me to rethink the benefits of the trip.

My trip voucher to San Francisco was \$2,300, nearly half of which is for lodging. (I stay all week, but if I were to stay only one night the cost would still be at least \$1,100.) Registration is about 15% of my expenses while 5% is for *Proceedings* and *Journal of Materials Research (JMR)* renewal. Thus 20% (\$440) of my budget goes directly to MRS; an additional 46% (\$1,050) is affected by MRS-negotiated lodging rates. MRS practice therefore determines the disposition of two-thirds of my travel budget through first-order effects.

Were we to hold our Spring Meeting outside of our traditional-if-difficult Easter time slot, the hotel rates would be some 18% higher, or \$230 in my budget. And if

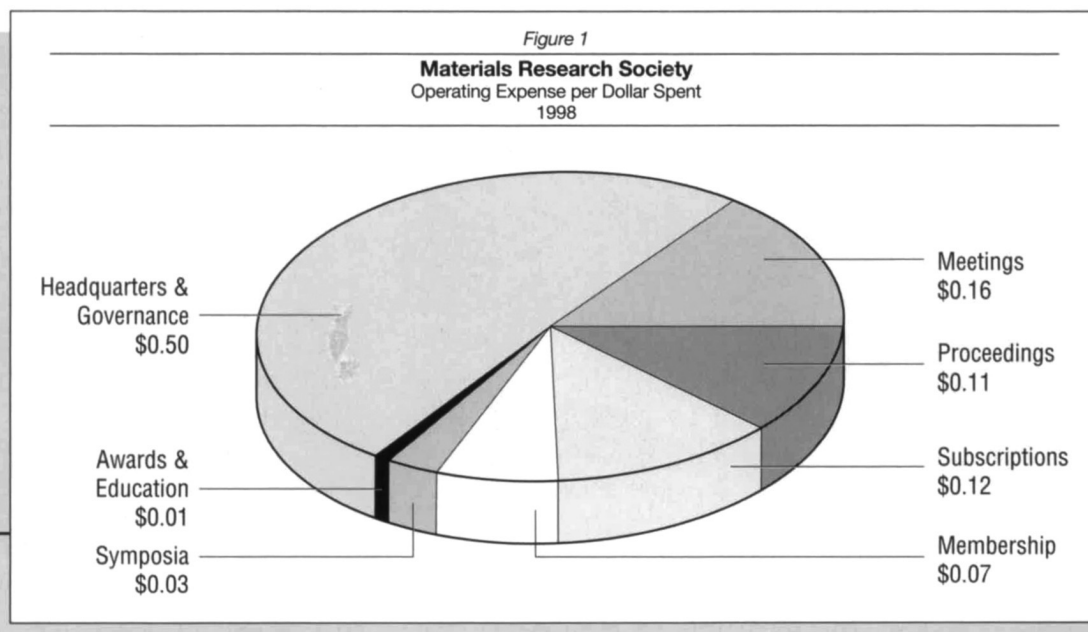
our registration were more typical of professional societies, say \$425 instead of \$315, I would pay an additional \$110. Adding first-order savings from the Fall and Spring Meetings, MRS economizing is worth about \$700 a year to me.

But what happens to the \$440 I sent directly to MRS this last spring? (See Table I.) Here's where important leverage for research dollar comes in, because for every \$0.64 I pay in these direct costs, another \$0.36 come in through exhibits, non-meeting dues, contributions, advertising, and symposium funding. In absolute numbers MRS annual operating revenues are \$474 per member for a total of \$5,929 thousand.

That combined \$1.00 gets ploughed back into the core businesses, especially support for meetings (see Figure 1). About a quarter is used to produce *Proceedings*, *MRS Bulletin*, and *JMR*, and a very important penny goes to awards and education. Two dimes defray direct meeting and symposium costs. A half-dollar goes to support the professional staff in MRS Headquarters and volunteers in governance who work to make MRS meetings among the best scientific meetings in the world. Herein lies the real return on my \$0.64 investment.

In 1998, we actually spent \$1.01 (\$6,003 thousand) for every dollar of operating revenue: The extra penny spent on initiatives approved by Council and the Executive Committee effectively came out of our cash flow, which is a ballast that ended the year at \$0.21.

A keener indicator of the Society's finances comes from the Consolidated Budget, which adds investments to the picture just described (see Tables I and II). Our revenue dollar



from Operations was augmented by \$0.11 earned by investments allowing the Society to finish the year with a net gain of \$0.10 on a Consolidated basis. The actual number was \$381 thousand or \$30 per member.

The 1999 budget has several important initiatives in meetings, publications, and education. The first two national-level MRS Workshops were held this summer in an important experiment to serve members with meetings better tailored to their needs. The Fall Meeting was sited in part in the Hynes Convention Center to simplify the notorious three-hotel meeting. Electronic *Proceedings* were tried for the first time in MRS, and the *Journal of Materials Research* has increased in size during the first half of the year (as you may have noticed) to serve more authors. Under the new Undergraduate Materials Research Initiative, 20 awards of \$1,000 each were made to undergraduate students to pursue original research over one year in 1999 (and 40 projects will be funded for 2000). Finally, a materials education outreach initiative, the Materials MicroWorld, is being developed to culminate in a traveling museum exhibit to begin circulating the United States in 2003.

If meetings and markets perform as expected, the Consolidated Budget will lose \$0.02 for every dollar of

revenue; however, that loss would come on top of investments of over \$0.82 (\$4,863 thousand at the end of 1998) built up over a number of years. Note that the 1999 budget is the first deficit Consolidated Budget passed by Council since 1990, and your Treasurer will be watching carefully to see whether the budget components meet their goals.

This report is my last as Treasurer. Merrilea Mayo (Pennsylvania State University) has assumed this office in September, after completing her term as the OSA/MRS Congressional Fellow. It has been my pleasure and honor to have served the Society and the members over the last two and a half years. I will continue to serve as an MRS volunteer, however, as I look forward to meetings in the Bahamas. In the meantime please send in your comments to ajhurd@sandia.gov.

Respectfully submitted,



Alan Hurd, Treasurer (Interim)

Table I

MATERIALS RESEARCH SOCIETY Statements of Activities (Income Statement) Years Ended December 31, 1998 and 1997		
	1998	1997
UNRESTRICTED NET ASSETS		
Revenue, Gains and Other Support:		
Meeting and seminar registration	\$ 1,883,509	\$ 1,731,695
Proceedings sales	1,123,768	1,086,193
Subscriptions	862,021	807,573
Membership dues	373,402	377,968
Education	28,448	28,515
Exhibit income	567,743	569,938
Advertising	461,199	418,184
Contributions	89,049	93,882
Mailing list rental	133,495	132,402
Miscellaneous income	206,359	183,694
Federal financial assistance	83,000	65,590
Other government funding	55,136	130,963
Corporate funding of symposia	204,261	276,539
Investments:		
Investment income	173,756	176,812
Net unrealized gain on investments	198,044	365,671
Net realized gains on investments	305,657	179,218
	<u>677,457</u>	<u>721,701</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>6,748,847</u>	<u>6,624,837</u>
Expenses:		
Program Services		
Meetings	984,920	934,551
Proceedings	720,454	680,162
Subscriptions	782,564	829,134
Membership	416,119	380,446
Education	23,113	20,252
Symposia	199,707	233,945
Awards	50,765	37,888
	<u>3,177,642</u>	<u>3,116,378</u>
Supporting Services:		
Management and general	3,190,232	2,955,470
	<u>6,367,874</u>	<u>6,071,848</u>
TOTAL EXPENSES	<u>6,367,874</u>	<u>6,071,848</u>
INCREASE IN NET ASSETS	<u>380,973</u>	<u>552,989</u>
NET ASSETS AT BEGINNING OF YEAR	<u>5,542,531</u>	<u>4,989,542</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,923,504</u>	<u>\$ 5,542,531</u>

Table II

MATERIALS RESEARCH SOCIETY Statements of Financial Position (Balance Sheet) December 31, 1998 and 1997			
	ASSETS		
	1998	1997	
Current Assets:			
Cash and cash equivalents	\$ 1,218,247	\$ 1,343,969	
Investments, at fair value	4,863,224	4,263,869	
Accounts receivable, net	647,628	653,025	
Inventories, net	252,310	222,291	
Government grants receivable	16,050	20,647	
Prepaid expenses	94,504	84,458	
Accrued interest receivable	29,982	28,808	
TOTAL CURRENT ASSETS	<u>7,121,945</u>	<u>6,617,067</u>	
Fixed Assets:			
Land	329,013	329,013	
Building	1,868,701	1,826,525	
Data processing equipment and software	1,218,783	994,957	
Furniture and office equipment	470,264	361,030	
	<u>3,886,761</u>	<u>3,511,525</u>	
Less: accumulated depreciation	<u>1,230,354</u>	<u>951,054</u>	
	<u>2,656,407</u>	<u>2,560,471</u>	
TOTAL ASSETS	<u>\$ 9,778,352</u>	<u>\$ 9,177,538</u>	
	LIABILITIES AND NET ASSETS		
Current Liabilities:			
Current portion of long-term debt	\$150,000	\$45,030	
Accounts payable and accrued expenses	687,426	575,194	
Withheld and accrued payroll taxes	4,768	903	
Accrued retirement plan contribution	29,731	30,219	
Deferred revenues	945,423	943,437	
TOTAL CURRENT LIABILITIES	<u>1,817,348</u>	<u>1,594,783</u>	
Long-Term Debt	<u>2,037,500</u>	<u>2,040,224</u>	
TOTAL LIABILITIES	<u>3,854,848</u>	<u>3,635,007</u>	
Net Assets:			
Unrestricted	5,835,049	5,454,076	
Permanently restricted	88,455	88,455	
TOTAL NET ASSETS	<u>5,923,504</u>	<u>5,542,531</u>	
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,778,352</u>	<u>\$ 9,177,538</u>	