

MTA Annual Financial Review

by Elliot Shefrin, MTA Treasurer

We have just received our 1995 annual report from the CPA firm of Stokes and Company. This year in our continuing effort to contain expenses we have opted for a review rather than a complete audit. As explained by Stokes, "a review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the object of which is the expression of an opinion regarding the financial statements taken as a whole." As in past years, Stokes has not found any material variations in the financial statements.

The report summarizes the financial results of MTA's operations for the year January 1 through December 31 1995. There is a certain minimum amount of working capital that an organization like MTA needs to continue operation. That working capital comes from our fund balance, and it allows us to carry on from one annual conference to the next. The report shows that MTA has a fund balance of \$188,119, down from \$202,638 the year before. This decrease, or deficiency of \$14,519 is reflective of a failure to meet our goals in terms of membership and attendance at the 1995 Annual Meeting in Chicago. In fact, the bottomline performance would have been much worse had it not been for the palliative actions taken by our staff to trim expenses in the face of certain income shortfall.

Our projections entering 1996 were sobering. We realized that, unless our 1996 Annual Conference in Boston was a success, we would be strapped financially. The attendance at that meeting was not as we had hoped, and therefore, the revenue generated fell far short of what is required to carry on "business as usual" at MTA. Where we had conservatively expected to generate \$474,000 in revenues from the meeting, we only realized \$300,000, and our net income of \$145,000 was far below the \$212,000 that we had budgeted.

In the months leading up to that meeting in Boston, and at several sessions during the meeting, the Board

of Directors kept a careful watch on the financial picture that the attendance figures were painting. We recognized that serious actions needed to be taken in order that MTA survive and be able to continue to provide support for the M Technology community. Accordingly, we renegotiated our arrangement with Database and Client/Server World in order to eliminate any financial risk to our organization in combining with them for our 1997 Annual Conference. This meant that MTA would not be sponsoring exhibits separately from the general conference; however, we ensured that there would still be a presence of M vendors and that the M community would be recognizable. We trimmed our staff size from ten to six, consolidating many of the staff's duties and expecting our staff, who have always been committed, diligent and tireless, to work harder with fewer resources and to deliver the same excellent level of member services to which we have become accustomed. We sharply reduced our office space to effect a significant reduction in MTA's rental expenses. And we are taking many other measures to try to conserve the funds of the organization without trimming services.

Given the performance of our 1996 Conference, we need to understand that MTA is at a critical period in its 30-year existence. We will continue to strive for excellence in member services and we will persist in planning and executing our 1997 Annual Conference in Boston in May. But in order to be successful in carrying on these important activities, we will need to build membership and attendance at our Conference. Growing the membership and meeting attendance is the job of every member who believes that MTA should continue to perform a valuable service to the M community. **M**

In addition to serving as Treasurer for MTA since 1986, Elliot is a computer scientist with the Gerontology Research Center, National Institute on Aging (NIH), Baltimore, MD.
