

2019-2020 MPS TREASURER'S REPORT

Our Society remains financially stable and sound. During the year 2019, our total operating revenue was \$444,071, up \$8,080 from 2018. The majority of our income is from membership dues which totaled \$267,257. This was \$12,657 more than we budgeted, but about \$6,000 less than 2018. Dues revenue has been declining as our membership ages and there are more aging members than new members. Newsletter classified advertising totaled \$83,507 in 2019. Meeting and exhibit fees, donations, grants and online CME make up the remainder.

Total expenses were \$428,452, up \$13,688 from 2018, but equal to the budget we set for expenses which was \$428,200. These financial results yield net operating revenue of \$15,618.

We maintain our investment account at Merrill Lynch; our year-end balance was \$713,544.46 which includes 2019 investment income of \$15,267.47 and unrealized capital gains of \$83,902.06. At year end, we had \$152,891.30 in our cash accounts for a total year-end balance of \$866,435.76. So far in 2020 the financial markets are volatile, the pandemic is raging, and we face uncertainty about what will happen. Nonetheless, we maintain a conservative investment strategy with a diversified portfolio of Exchange Traded Funds (ETFs). Our conservative investment strategy aims for a balance of 40% equities and 60% Fixed Income. The diversified allocation is made up of growth stocks and value stocks spread across Large, Medium and Small Cap funds. We thank our Merrill Lynch advisor Robert Patterson for his help and guidance over the years.

We continue to reap the many ongoing benefits of our relationship with the MMS and its Specialty Management Services and extend our appreciation and thanks to our wonderful staff, Lynda Layer, Mayuri Patel, and Debbie Brennan. We thank our accountant Michelle Arsenault of the firm Tankel and Rosenberg, and our auditor, Kathy Hughes. Kathy has audited our books for many previous years, and this year we have engaged her to conduct a review which is less rigorous than an audit. General accounting practices and the size of our budget allow us to undertake a review rather than an audit for the next few years.

The overall outlook for 2020 and beyond is reflected in our annual budget which anticipates membership revenue of \$258,000, classified ad revenue of \$90,000, meeting and exhibit fees of \$65,000, and other sources of income totaling \$4,200 resulting in a nearly balanced budget with anticipated expenses of \$426,181. We anticipate a successful year during which we maintain a robust level of member services and benefits. We continue to watch our expenses carefully while providing value and services to our membership. The pandemic is certain to have an impact on our members, our patients and our society and we will likely see some impact on our budget process and financial situation.

Respectfully submitted,



Mark J. Hauser, MD