



# MARINE CORPS ASSOCIATION

Box 1775 Quantico, Virginia 22134 Tel. (703) 640-6161

MARINE CORPS  
GAZETTE

LEATHERNECK  
MAGAZINE OF THE MARINES

Fellow Members of the Marine Corps Association:

In furtherance of a practice started last year we are again publishing the financial statement which was submitted to the Board of Governors as part of the annual report on the operations and financial condition of the Marine Corps Association.

As your President I am pleased to be able to report that the Association is healthy in all respects and is steadily growing stronger.

The move of the administrative offices for the MCA Group Benefit Program has been completed. The administrator is now located on the second deck of the Virginia National Bank Building in Quantico town. A toll free number (800-336-0291) has been installed for the convenience of those calling from outside the State of Virginia. Any questions on the group term life insurance or annuity/savings program may be referred to that number.

The GAZETTE and LEATHERNECK circulation office is collocated with the insurance administrator and calls relating to your magazine subscription may be made to the same toll free number.

A major improvement has been made in the MCA Group Annuity Plan. Now, once during each 12 month period, you may withdraw up to 25% of the sum of your contributions (excluding interest), provided you have an account balance of at least \$1,000. Since a partial withdrawal involves only your own contributions, it is non-taxable and does not affect the tax deferred status of your group annuity account balance.

The MCA Health Care Plans have taken on added significance with the continued diminishing availability of services in many uniformed services hospitals. With more reliance being placed on CHAMPUS, consideration particularly should be given to taking out CHAMPUS Supplement insurance. The Board of Governors highly recommends the LEATHERNECK I CHAMPUS Supplement Plan for those seeking additional financial protection.

While generally pleased with the state of the Association I am convinced that we can do better on our membership. Too many Marines are still unaware of the Marine Corps Association and the fine support it renders to the Corps and to Marines and their families. I hope that each of you will make an effort to pass the word and encourage your fellow Marines to join.

I look forward to the continued growth and success of our Association.

R. H. BARROW  
General, U.S. Marine Corps  
President

# AUDITED FINANCIAL STATEMENTS

## Marine Corps Association

WASHINGTON, D. C.      DECEMBER 31, 1978

March 22, 1979

*Board of Governors  
Marine Corps Association*

*Re: General accounts*

*We have examined the accompanying Balance Sheet of the Marine Corps Association general accounts at December 31, 1978 and the related statement of income and expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.*

*In our opinion the financial statements referred to above present fairly the financial position of the Marine Corps Association general accounts at December 31, 1978 and its income and expenses for the year then ended consistent with that of the preceding year.*

**G. P. GRAHAM & COMPANY  
Certified Public Accountants**

**MARINE CORPS ASSOCIATION  
BALANCE SHEET  
DECEMBER 31, 1978**

**ASSETS**

Cash on Hand and on Deposit	\$ 261,605
Accounts Receivable	
Subscriptions, Bookservise, Advertisers, etc	71,540
Marine Corps Association Group Benefit Program	
Group Annuity Plan Participant's Values	5,232,713
Accrued Interest	2,692
Investments	
U. S. Government Securities at Maturity Value	43,000
Stocks and Bonds	296,974
Deposits with Group Annuity Plan	737,128
Inventories	
Bookservise	129,555
Office Supplies	5,935
Printing Service Supplies	7,649
Deposits	
Prepaid Expenses	4,438
Deferred Expenses - MCAGBP Administrator	6,344
Office Furnishings and Equipment	185,739
	62,376
<b>TOTAL ASSETS</b>	<b>\$ 7,047,688</b>

**BALANCE SHEET (CONTINUED)****LIABILITIES AND FUND BALANCES**

Accounts Payable	\$ 58,710
Deferred Subscription Income	297,478
Group Annuity Plan Participant's Values	5,232,713
Deferred Compensation Reserve	68,506
Special Project Fund	1,058
Lemly Fund	4,378
MCA Awards Fund	6,897
Building Fund Reserve	100,000
Reserve Fund	541,604
General Operating Fund	736,344

**TOTAL LIABILITIES AND FUND BALANCES** \$ 7,047,688

**STATEMENT OF INCOME AND EXPENSES****YEAR ENDED DECEMBER 31, 1978**

ACCOUNT	INCOME	EXPENSE	NET REVENUE
Marine Corps GAZETTE	\$ 258,154	\$ 241,715	\$ 16,439
LEATHERNECK Magazine	426,499	350,775	75,724
Bookservise	352,523	202,390	150,133
Printing Service	131,835	103,052	28,783
Computer Service	29,914	25,279	4,635
Administration & Operations	89,051	198,205	(109,154)
Taxes - Unrelated Business Taxable Income			(2,047)
Excess of Operating Income Over Expense			<u>\$ 164,513</u>

Balance of Capital at January 1, 1978 \$1,055,119

Add: Net Revenue from Operations, 1978	164,513
Dividend-Mutual Benefit Life	196,825
Group Benefit Plan Promotion & Admin Allowance	30,404
Special Award Funds	29
	<u>391,771</u>
	<u>\$1,446,890</u>
Deduct: Transfer to Deferred Compensation Reserve	\$ 38,506
MCA Awards Program	18,103
	<u>56,609</u>
Balance of Capital at December 31, 1978	<u>\$1,390,281</u>

**MCAGBP GROUP TERM LIFE INSURANCE EXPERIENCE ANALYSIS****YEAR ENDED DECEMBER 31, 1978**

Premium Income	\$1,518,935
Claims	
Member Life (64 Claims)	\$1,196,000
Dependent Life (37 Claims)	100,000
Accidental Death & Dismemberment (1 claim)	20,000
	<u>\$1,316,000</u>
Disability Reserves	14,837
Unreported Disability Claims	2,470
Conversion Charges	4,350
Commissions	
Taxes	
Pooled Risk Charges	
Dividend Paid	
Underwriter's Retention	
Total Insurance Disbursements	<u>\$1,518,935</u>