

REPORT OF AUDIT

To the Council of the Mineralogical Society of America:

We have examined the consolidated balance sheet of The Mineralogical Society of America as of July 31, 1971, and the related consolidated statement of operations for the year then ended prepared on the modified cash basis. 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. It was not practicable to extend our examination of dues and other income received beyond accounting for amounts so recorded.

The Society has kept its records on a modified cash basis wherein income is recognized only when received, but major costs and expenses are recorded when incurred.

In our opinion the statements mentioned above present fairly the consolidated financial position of the Society at July 31, 1971, and the results of its operations for the year then ended, as prepared on the modified cash basis.

BROWN, DAKES AND HOKE

REPORT OF THE FINANCIAL ADVISORY COMMITTEE FOR 1971

During the past year this committee continuously studied the portfolio of the Mineralogical Society of America. In managing the fund, a semi-conservative policy has been followed. The portfolio's year-end market value was 35% above its costs; the contents of the portfolio are listed in Table 1. Although the dividend income is about a percent below the dividends of the preceding year, it represents a 5.82% return on the cost of the portfolio and a 4.19% return on the market value (Table 1).

So that the Society could pay some overdue printing bills, we had to secure a \$20,000 loan by pledging 570 shares of American Telephone and Telegraph, and 400 shares of Columbia Gas Corporation stocks to the Riggs National Bank of Washington, D. C., thus avoiding sale of stocks at a time of depressed prices. Our Treasurer has agreed to use all the income from the sale of Special Papers to retire this bank loan along with income from the Endowment Fund. After the bank loan is repaid all the income from the sale of Special Papers will continue to be deposited into the Endowment Fund, until that fund has been repaid for the money it advanced for the printing costs.

In Table 2 the income, cost, and year-end market values of the portfolio since 1962 are shown. In the past fiscal year the Society spent all its dividend income and acquired a debt of \$6,115.00.

Respectfully submitted,
EDWARD P. HENDERSON, *Chairman*
THOMAS W. STERN
CHARLES L. CHRIST

MINERALOGICAL SOCIETY OF AMERICA

TABLE 1. ENDOWMENT FUND
August 2, 1971

<i>Bonds</i>		<i>Market Value</i> <i>August 2, 1971</i>	<i>Cost</i>	<i>Dividends</i>
17	Amer. Tel & Telg 8 3/4%.....	\$1,827.50	\$1,719.16	\$ 147.52
	Total.....	\$1,827.50	\$1,719.16	\$ 147.52
<i>Preferred Stock</i>				
260	City Inv. 2B.....	\$ 9,230.00	\$ 10,202.59	\$ 130.00
150	F.M.C. Corp 2.25 cum.....	5,850.00	4,792.90	337.52
60	Jones & Laughlin.....	3,225.00	4,987.50	300.00
100	Sun Oil Co. 2.25 cum Pfd....	4,600.00	2,342.63	225.00
20	Virginia El. Pow. 4.80%.....	1,290.00	2,122.95	96.00
50	Virginia El. Pow. 5.0%.....	3,875.00	5,942.50	250.00
	Total.....	\$ 28,070.00	\$ 30,391.07	\$ 1,338.52
<i>Common Stock</i>				
570	Amer Tel & Telg.....	\$ 25,008.75	\$ 14,880.93	\$ 1,482.00
34	Amer Tel & Telg wts.....	293.50		
*	Buckeye Inter.....			66.75
450	Chase Manhattan Corp.....	22,162.50	12,682.91	855.00
150	Chesapeake Ohio Ry	8,793.75	8,643.57	600.00
400	Columbia Gas Corp.....	14,400.00	8,057.97	688.00
250	Columbus Southern Ohio El..	6,562.50	3,815.56	450.00
225	Continental Can.....	7,875.00	4,051.56	360.00
600	Continental Oil.....	20,100.00	21,713.81	487.50
150	Denison Mines.....	3,825.00	3,096.00	185.83
220	Detroit Edison.....	4,372.50	5,720.00	308.00
303	Emhart Corp.....	9,582.37	4,774.75	363.60
100	General Motors.....	7,675.00	9,681.35	340.00
150	General Portland Cemt.....	4,575.00	2,934.69	120.00
508	Greyhound.....	11,049.00	2,300.25	508.00
100	Indianapolis Power Light....	2,650.00	3,084.25	150.00
*	Interpace.....			50.00
200	Kimberly Clark.....	6,000.00	5,401.50	240.00
300	Kroger Co.....	9,975.00	3,245.25	390.00
*	Lear Siegler.....			85.00
547	Marriott Corp.....	23,999.62	2,500.32	
101	Occidental Pet Co.....	1,679.12	4,353.06	101.00
*	Phelps Dodge.....			210.00
220	P.P.G. Ind.....	7,865.00	6,312.83	308.00
*	Southern Nat. Gas.....			140.00
500	Tenneco Inc.....	13,375.00	14,192.57	396.00
175	Union Carbide.....	7,568.75	10,719.41	350.00
100	Wisconsin Power Light.....	3,631.12	2,304.75	138.00
	Total on Common.....	\$223,018.48	\$154,467.29	\$9,372.68
	Grand Total.....	\$252,915.98	\$186,577.52	\$10,858.72

* Sold during the year.