

Mineralogical Society of America 2013 Treasurer's Report

Howard W. Day
MSA Treasurer
October, 2014

MSA Finances Are Stable

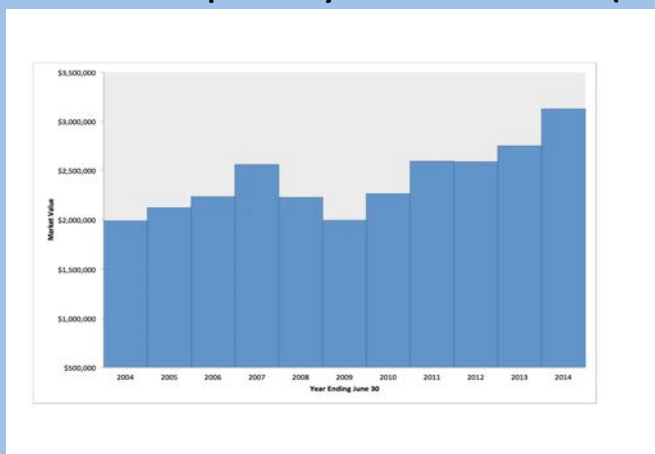
- Investment Portfolio: Rising
- Budget: Income is stable, declined slightly
- Budget: Surplus for 2013 after fund transfers
- 2013 Audit: Clean

THE FINANCIAL TEAM

- Executive Director, J. Alex Speer
- Financial Advisory and Audit Committee
 - Mark van Baalen, Chair
 - David L. Bish
 - Gordon E. Brown, Jr.
 - Michael Brown
 - David C. Palmer
 - Howard W. Day (MSA Treasurer)
 - Andrea M. Koziol (MSA Secretary)
 - Steven B. Shirey (MSA Vice-President)
 - David J. Vaughan (MSA President)
- Wells Fargo Investment Advisor, Jeff LeClair

MSA Investment Portfolio

- \$3,126,568 on June 30, 2014
- Increase over prior year: ~\$378K (13.7%)



Conservative Strategy

- Asset Allocation
 - 57% Equities; 18% Fixed Income; 24% Cash
 - Fixed Income: 14% bonds & 4% insured CDs
- Quality of Funds
 - 60% of 26 funds ranked in top 32% of asset class
 - None are ranked in the bottom 32% of asset class
- Performance
 - 5.5% annualized over past ten years
 - Recovered from 22% dip during recession

Budget 2013

- Conservative Budget Strategy
- Operating Expenses Exceeded Income: \$88K
 - Income \$1,263,089: down \$25K
 - Expenses \$ 1,351,470: up \$74K
 - After fund transfers: “profit” of \$13,582
- Audit by Rubino & Co. Bethesda MD
 - “Clean”: our statements fairly represent status

Budget 2014

- Details not meaningful
- Project Operating Loss \$66K
- Geoscience World Income up \$81K

Budget 2015

- Projected Loss After Fund Transfers: \$92K
 - Operating Income down 1% compared to 2013
 - Operating Expenses up 7%
 - Unrestricted reserves: \$76K
- Increased Investment in *Am. Min.*
 - \$116K over 2013 actual expense
 - \$40K employee compensation
 - \$50K for Allen Track services

Budget 2015

- No new increase in dues
- Dues were increased \$10 last year
 - Remove budget deficit normally assigned to dues
 - New benefit: universal access to our journal

Budget 2015

- Increased Subscription Rates for *Am. Min.*
 - \$5 (5%) for individuals getting paper copies
 - \$25 (3%) for institutions getting paper copies
 - Increases ensure that we start covering real costs
 - All subscriptions heavily subsidized by MSA

Summary

- Finances are stable
- Project larger than usual operating losses
- Essential that endowments provide income
- Essential to invest conservatively
- Essential to increase our endowments

Challenges

- *Am. Min.* investment requires vigilance
- Need additional bookkeeping support
- Effect of Open Access on *Am. Min.* income?