Mineralogical Society of America
2014 Treasurer’s Report

Howard W. Day
MSA Treasurer
October, 2015

MSA Finances Are Stable

- Investment Portfolio: Declined slightly
- Budget: Operating deficit $85K
- Budget: Balanced with endowment income
- 2014 Draft 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
    • Barbara Dutrow
    • Howard W. Day (MSA Treasurer)
    • Andrea M. Koziol (MSA Secretary)
    • Rebecca Lange (MSA Vice-President)
    • Steven B. Shirey (MSA President)
- Wells Fargo Investment Advisor, Jeff LeClair

MSA Investment Portfolio

- $3,092,256 on June 30, 2015
- Decrease over prior year: ~$34K (1%)
Conservative Strategy

• Asset Allocation
  – 66% Equities; 29% Fixed Income; 5% Cash
  Fixed Income: 16% bonds & 13% insured CDs
• Quality of Funds
  – 53% of 30 funds ranked in top 32% of asset class
  – 10% are ranked in the bottom 32% of asset class
• Performance
  – 4.5% annualized over past ten years
  – 6.8% annualized since 2002

Budget 2014

• Conservative Budget Strategy
• Operating Expenses Exceeded Income: $85K
  – Income $1,277,670: up $15K
  – Expenses $ 1,363,066: up $12K
  – After fund transfers: “profit” of $3939
• Draft audit by Rubino & Co. Bethesda MD
  – “Clean”: our statements fairly represent status
Budget 2015

- Details not meaningful
- Projected operating loss: $185K
- Reflects increased investments in Am. Min.

Budget 2016

- Projected Loss After Fund Transfers: $39K
  - Operating Income same as 2014
  - Operating Expenses up 4%
- Increased Investment in *Am. Min.*
  - $54K over 2014 actual expense
  - $24K for salaries
  - $23K for Allen Track services
  - $19K for printing increased pages
Budget 2016

• No new increase in dues
• Increased Subscription Rates for Am. Min.
  – $5 (5%) for individuals getting paper copies
  – $25 (3%) for institutions
  – Increases help with 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?