

Mineralogical Society of America Treasurer's Report

October 30, 2007

I would like to begin by thanking Executive Director Alex Speer for keeping the finances of the MSA in such good order; the Treasurer's job is simple as a result of Alex's diligence.

I am pleased to report that the Society is in a good financial position. A clean opinion was offered by our auditors for calendar years 2005 and 2006, and the 2007 budget year is nearing a close. 2007 Budget Highlights are as follows:

- As of 6/30/07, the market value of MSA's investments was \$2,560,333. The comparable values for the 2006 6/30 closing was \$2,231,848, and thus the investments increased in value by approximately \$330K, or 15 % in the past year.
- Currently the Society undertakes an annual fund transfer allocation below 4% of the market value of its investments, a rather conservative figure. Allocations for 2006 were (2005 figures italicized in parentheses for comparison): Kraus: 3.3% (2.5%); Min/Pet: 3.8% (3.1%); Roebling: 3.8% (3.9%). The Fund Transfer covers defined costs such as AMU awards, the MSA Award, the Roebling Medal, the Dana Medal, the Lecture Program, and the Kraus and Mineralogy/Petrology grants, many of which are dictated by the terms of the individual endowments. The final Fund Transfer Allocation for 2006 was \$76,885.
- As is always the case, budgetary uncertainties exist that include printing costs and sales receipts for RiMG volumes. The past several years have seen sharp increases in the number of new volumes. Volumes 42 - 67 will be published from 2001 - 2007, representing nearly 40% of the extant volumes in seven years, and it is realistic to anticipate that an increase in sales receipts will follow the marked increase in production. The total value of the RiMG inventory varies by whether the ultimate sales are to members or non-members, but the end-member value of the inventory (for end-members of all sales to non-members and all sales to members) is available for the 2006 inventory: cost of production \$384,105, sale to non-members, \$1,675,880, sale to members \$1,228,191.
- The new membership category, Sustaining Member or Sustaining Fellow, was approved as a method of fundraising that provides a vehicle for Society members to support the Society in a philanthropic manner. The new category was begun for 2007 memberships; as of September, 2007, 25 Sustaining Members had selected the membership category. In addition, a solicitation from 25+ year members to increase the Endowment Fund was initiated in summer, 2007. As of September 7, 2007, \$7,821.95 had been received in donations from that initiative.

The 2008 budget was passed at the First Council meeting of 2008 this past Saturday. Several highlights can be offered:

- For the 2008 Proposed Budget, total expenses decrease by \$30,944 as compared to the 2007 Approved Budget, and total income increases by \$47,325 as compared to the 2007 Approved Budget.
- The budget predicts a net gain to the Society of \$35,304 for 2008, largely a result of printing one fewer RiMG volumes.
- Fund Transfer Allocations will remain at a static level of approximately \$80,000+/year, with budgeted values \$84,070 for 2007 and \$86,040 for 2008.

For the past Council meeting, the Treasurer was asked to prepare an analysis of the current charges for Life Memberships. Putting aside the extensive analysis and discussion, we arrive at a conclusion that MSA life memberships are no better than a break-even proposition for MSA, and more realistically be a money loser to some degree. Three options were considered:

1. Accept life memberships as a more or less break-even program and leave the life dues multiplier at twenty-five times the annual dues.

2. Accept life memberships as a break-even program but increase the life dues multiplier to 35 times the annual dues to ensure that the program does not operate at a loss in most cases.
3. View life membership as a continuing investment that both covers the cost of the member's dues while they are living and provides MSA continuing income once they pass. This requires increasing the life dues multiplier to about 50 times the annual dues.

Option 3 was selected, and the change in cost of a life membership will be brought to the membership as a request to change the By-Laws in 2008.

Respectfully submitted,

John M. Hughes
Treasurer