

# Mineralogical Society of America 2013 Treasurer's Report

Howard W. Day  
MSA Treasurer  
October, 2014

## MSA Finances Are Stable

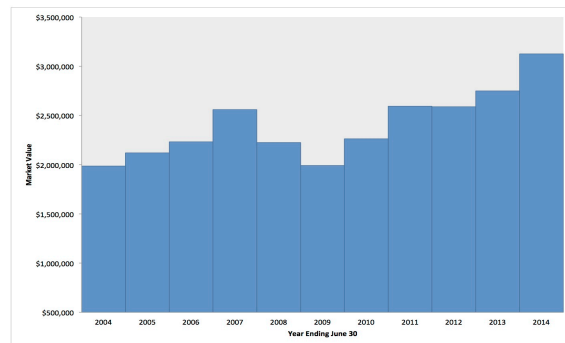
- Investment Portfolio: Rising
- Budget: Income is stable, declined slightly
- Budget: Surplus for 2013 after fund transfers
- 2013 Audit: Clean

# 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?