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?