

Mineralogical Society of America 2014 Treasurer's Report

Howard W. Day
MSA Treasurer
October, 2015

MSA Finances Are Stable

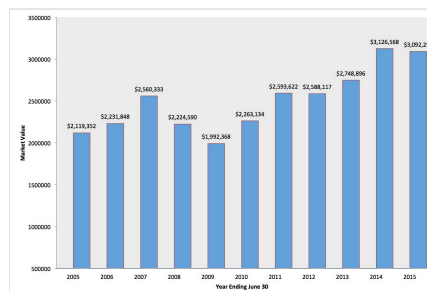
- Investment Portfolio: Declined slightly
- Budget: Operating deficit \$85K
- Budget: Balanced with endowment income
- 2014 Draft Audit: Clean

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?