Mineralogical Society of America
2014 Treasurer’s Report

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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. Kozioł (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?