

Mineralogical Society of America 2015 Treasurer's Report

Howard W. Day

MSA Treasurer

September, 2016

MSA Finances Are Stable

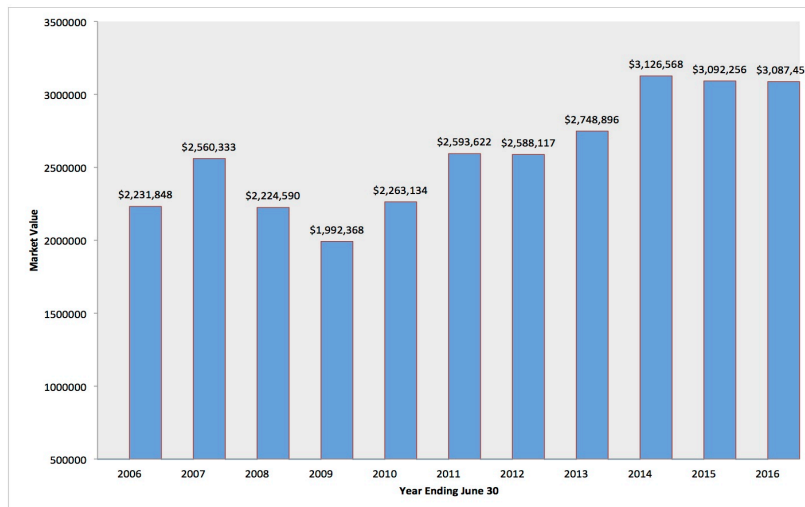
- Investment Portfolio: Declined slightly
- Budget: Operating deficit \$84K
- Budget: “Profit” of \$6K after transfers
- 2015 Draft Audit: Clean

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
 - Julia A. Nord
 - Bryan C. Chakoumakos (MSA Secretary)
 - Howard W. Day (MSA Treasurer)
 - George E. Harlow (MSA Vice-President)
 - Rebecca A Lange (MSA President)
- Wells Fargo Investment Advisor, Jeff LeClair

MSA Investment Portfolio

- \$3,087,459 on June 30, 2016
- Decrease over prior year: ~\$5K



Conservative Strategy

- Asset Allocation
 - 66% Equities; 29% Fixed Income; 5% Cash
 - Fixed Income: 17% CDs, 9% bonds, 2% MLP
- Quality of Funds
 - 57% of 28 funds ranked in top 32% of asset class
 - None ranked in the bottom 32% of asset class
- Performance
 - 3.3 % annualized over past ten years
 - 6 % annualized since 2002

Budget 2015

- Conservative Budget Strategy
- Operating Expenses Exceeded Income: \$84K
 - Income \$1,259,473: down \$21K
 - Expenses \$ 1,343,866: down \$19K
 - After fund transfers: “profit” of \$6,379
- Draft audit by Rubino & Co. Bethesda MD
 - Clean

Budget 2016

- Details not meaningful
- Projected operating loss: \$133K
- Reflects increased investments in Am. Min.

Budget 2017

- Projected Loss After Fund Transfers: \$97K
 - Operating Income down \$36K from 2015
 - Operating Expenses up \$78K
- Increased Investment in *Am. Min.*
 - \$56K over 2015 actual expense
 - \$17K for salaries
 - \$14K for printing increased pages
 - \$10K for Allen Track services

Budget 2017

- No new increase in dues
- Increased Subscription Rates for *Am. Min.*
 - \$5 (5%) for individuals getting paper copies
 - \$50 (~ 5%) 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.* finances need continued vigilance
- Anticipate additional bookkeeping support
- Effect of Open Access on *Am. Min.* income?