

Mineralogical Society of America Treasurer's Report

Thomas S. Duffy

MSA Treasurer

October 2017

The Financial Team

- Executive Director, J. Alex Speer
- Financial Advisory and Audit Committee
 - Mark van Baalen, Chair
 - David L. Bish
 - Edward S. Grew
 - Michael Brown
 - Barbara Dutrow
 - Donald D. Hickmott
 - Julia A. Nord
 - Bryan C. Chakoumakos (MSA Secretary)
 - Thomas S. Duffy (MSA Treasurer)
 - Michael Brown (MSA Vice-President)
 - George E. Harlow (MSA President)
- Wells Fargo Investment Advisor, Jeff LeClair

MSA Investment Portfolio

- \$3,431,325 on June 30, 2017
- Increase over prior year: ~\$347,000

Date	Market Value	Annual Change
6/30/2017	\$ 3,431,236	11.2%
6/30/2016	\$ 3,084,458	-0.3%
6/30/2015	\$ 3,092,256	-1.1%
6/30/2014	\$ 3,126,568	13.7%
6/30/2013	\$ 2,748,896	6.2%
6/30/2012	\$ 2,588,117	-0.2%
6/30/2011	\$ 2,593,622	14.6%
6/30/2010	\$ 2,263,134	13.6%
6/30/2009	\$ 1,992,368	-10.4%
6/30/2008	\$ 2,224,590	-13.1%
6/30/2007	\$ 2,560,333	

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
 - 3.4 % annualized over past ten years
 - 6.6% annualized since 2012

Budget 2016

- Operating Expenses Exceeded Income: \$123K
 - Income \$1,183,055: down \$76K
 - Expenses \$ 1,306,056: up \$38K
 - After fund transfers: Operating Loss of \$48K
- Draft audit by Rubino & Co. Bethesda MD
 - Clean

Budget 2017

- Details not meaningful yet
- Projected operating loss: \$101K
- Reflects changes in income stream and increased investments in *Am. Min.*

Budget 2018

- Incremental Budget
- No Increase in Member Dues
- Increased Subscription Rates for *Am. Min.*
 - \$5 (~4%) for individuals getting paper copies
 - \$25 (~ 2%) for institutions
 - Increases help with covering real costs
 - All subscriptions subsidized by MSA
- Projected Operating Loss: \$62K

Summary

- Relatively strong investment performance
- Essential to continue conservative investment strategy; Strong need to increase endowment
- *American Mineralogist* currently undergoing transition
- Transition in senior management on horizon
- MSA entering Transition Period that will present significant financial challenges