

From the AMS Secretary

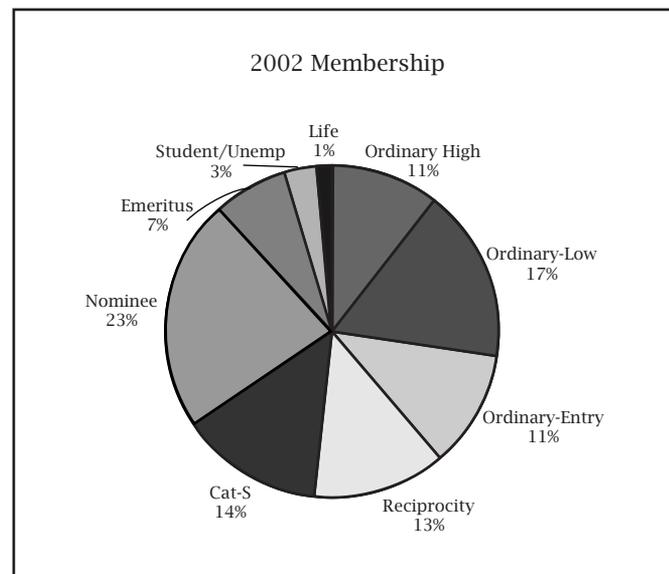
Report of the Executive Director, State of AMS, 2003

Most members think of the American Mathematical Society (AMS) as an organization that *does* things: it represents their interests on matters of policy, holds meetings, awards prizes and scholarships, publishes books and journals, delivers *Mathematical Reviews*, provides employment services, conducts surveys, and generally supports mathematics research. Most people do not care precisely how these things get done; they merely rely on the Society to do them.

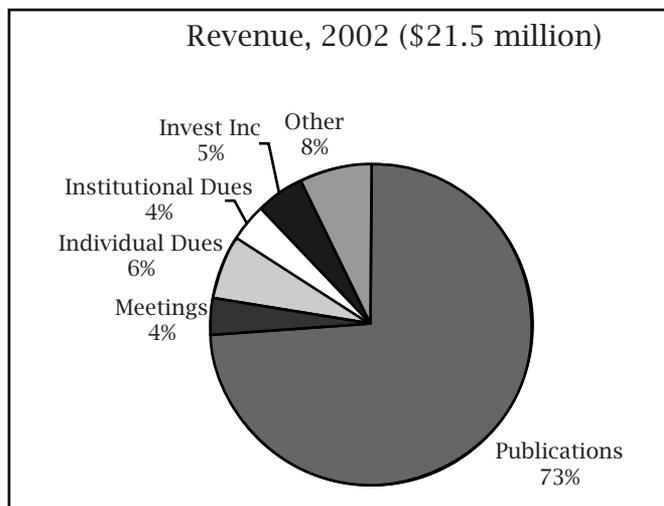
In this year's annual report I want to tell you about *how* things are done rather than *what* is done. I will use this year's report to explain the structure of the AMS—that is, how the Society is organized in order to carry out its work. It is a different view of the AMS, but a view that is worth seeing from time to time.

Overview

The AMS has over 27,000 members. More than a third of our members are international; about one-fourth are students. It is important to remember that there are many kinds of members: ordinary, life, emeritus, reciprocity, cat-S,¹ etc. Over 7,000 of our members are nominees (that means



¹ Category-S members are from developing nations and pay dues of \$16 (or, equivalently, write two reviews for *Mathematical Reviews*) each year for member benefits that include either the *Bulletin* or the *Notices*.



they are appointed by their institutions as a benefit of institutional membership). Over 500 institutional members appoint those nominees.

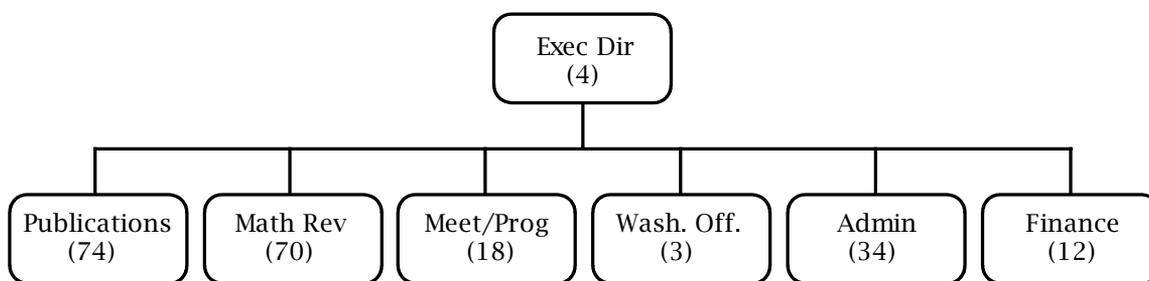
Operations of the Society generated more than \$21 million in revenue during 2002. Most of that (73%) came from publications-related activities. Only \$1.4 million (6.5%) came from individual member dues, and only 4% came from meetings. Grants typically account for 3%–4% of our revenue, but since expenses associated to the grants almost always exceed the grants themselves, they seldom contribute to the Society's general operations.

For the first time in 2002, we used "income" from a portion of the reserves to support operations, allocating approximately \$800,000 for that purpose. Our total reserves at the end of 2002 were slightly more than \$38 million, including \$6.4 million in the actual endowment and \$31.6 million in the quasi-endowment.² Like many other institutions, we have experienced a dramatic drop in the value of our investments during the past several years.

At the start of 2003 the AMS is healthy. Membership is reasonably steady (with some decrease in reciprocity members, however). Publications are scientifically and financially robust. The Society has maintained and improved important services (the Employment Center and survey work) and expanded others (Mathjobs and support for Young

² The endowment consists of funds that have been given to the Society for specific purposes (for example, prizes), restricting use to the intended purpose. The quasi-endowment consists of reserves: funds accumulated over time for future needs but without restrictions on their use.

Six Divisions of AMS



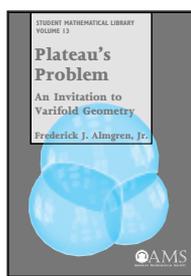
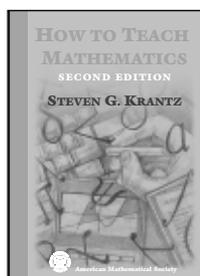
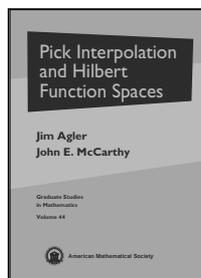
Scholars programs). Visibility for mathematics has been greatly expanded, both by our substantial presence in Washington and by the Public Awareness Office. All these things and many others are signs of a vigorous organization.

The Society is governed by the Council and the Board of Trustees, an arrangement that separates responsibility for scientific policy and finance between the two elected bodies along with their various committees. The job of the staff is to carry out the policy they set and to ensure that the Society's finances are sound (and remain so in the future).

The AMS has approximately 215 employees (down from a high of 250 twelve years ago) who are organized into six divisions. The staff works from four different locations: AMS headquarters in Providence, a warehouse/printing plant in nearby Pawtucket, *Mathematical Reviews* in Ann Arbor, and the Washington office.

Publications

The Publications Division is the largest division at the AMS, with approximately 73 employees in six departments. The Society publishes twelve journals and distributes an additional eight for other publishers. Some are large (*Transactions* published 5,232 pages in 2002), and some are small (*Sugaku* published only 248 pages). Most are pub-



lished in both print and electronic format. There were twenty-nine new *Memoirs* last year, totaling 3,448 pages.

The AMS also published over one hundred new books in 2002, ranging from high-level research monographs and conference proceedings to elementary exposition for undergraduates. The Society has more than 3,000 titles in print—an incredible number of titles dating back to the first half of the twentieth century. It also produces a number of “administrative” publications such as the *Combined Membership List*, *Professional Directory*, *Employment*

Information in the Mathematical Sciences, and (last year) the *World Directory of Mathematicians*.

The Society sells all these books and journals to people and institutions around the world, including many thousands of mathematicians, universities, agents, and bookstores. The role of our online bookstore continues to expand, but delivery of scholarly publications is still a complicated business.

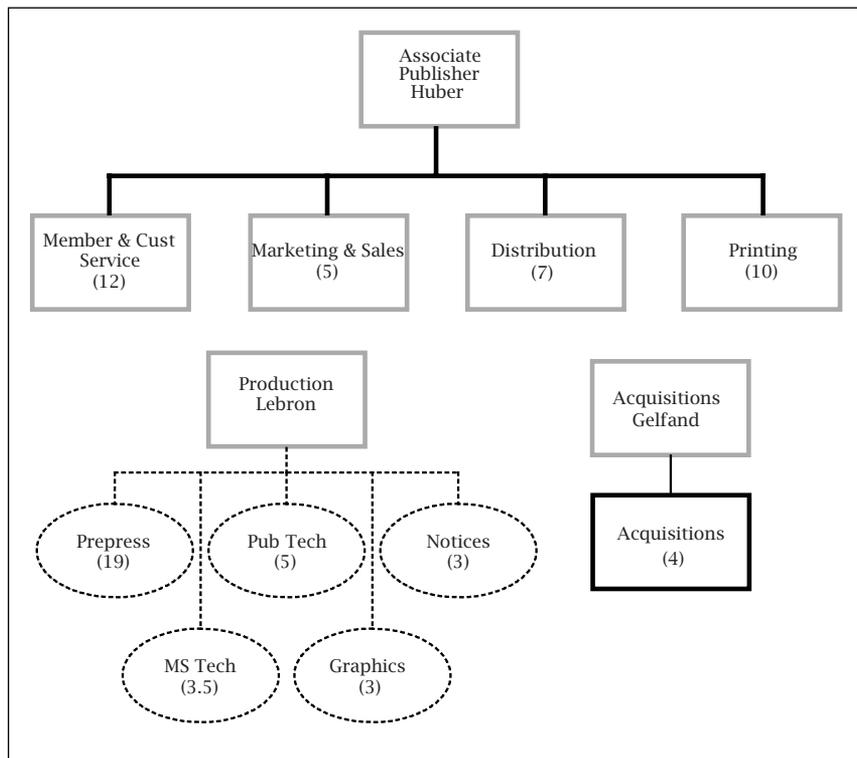
When mathematicians think of the publication program, they most often think about acquisitions and production, the departments that deal directly with authors. And indeed these departments include approximately half the staff of the division. But there are many other essential parts of Publications.



Dealing with the thousands of customers, both individuals and institutions, requires a large customer services staff, and marketing our publications requires considerable effort, especially in negotiating and monitoring distribution arrangements overseas. We maintain a large warehouse and distribution center in Pawtucket, Rhode Island, for the distribution of books and journals, and we ship hundreds of orders each day.

Many members are unaware that the Society has its own printing and binding facility, designed specifically for the type of book and journal production done at the Society. The majority of AMS printing is carried out in-house (although long-run jobs such as the *Notices* are done outside).

At the start of 2002 the Publications Division was reorganized, and the executive director now serves as publisher (heading the division).



erable effort). When the database was put online in 1996 as MathSciNet, it was considerably easier to use. Today, what previously required an afternoon of painstaking work can be done in minutes or even seconds. Even the job of writing papers is easier with the MR-Lookup tools for standardizing and linking references. An online database is a software application.

But while mathematicians use and admire MathSciNet, they often do not fully understand the effort required to assemble the database and to make it accessible. In order to add the approximately 75,000 new items each year, more than 100,000 articles and books must be scanned. That requires a staff of seventy people in the Ann Arbor office of the AMS to deal with hundreds of publishers, thousands of journals, and more than 10,000 reviewers. Like any major piece of software, MathSciNet is upgraded once each year, led by staff in Ann Arbor and including computer staff in the Providence office as well. New tools and ideas for improving the database and its delivery are continually considered. This is a multimillion-dollar effort that

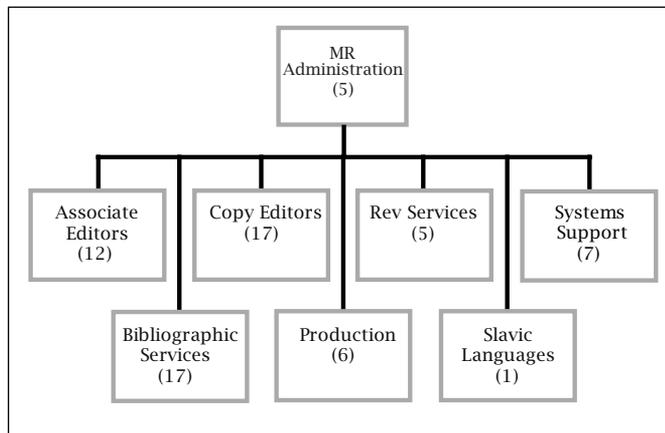
Mathematical Reviews

Almost every mathematician knows about *Mathematical Reviews*, a database of more than 1.9 million reviews of mathematics articles and books covering the literature from 1940 to the present. The database includes material from about 1,800 journals and nearly 400,000 authors. It now includes links from the reviews to more than 230,000 original articles, allowing users to navigate the online literature, and it contains reference lists (again with links) for papers in approximately one hundred journals going back to 1998. The reference lists already include more than 600,000 references.

Mathematical Reviews is not a journal—it is a database, and the distinction is important. For many years the large orange volumes sat on library shelves alongside indices that made searching the database possible (often with consid-

never stops.

And *Math Reviews* is like the rest of our publication program: there are many other essential parts hidden from view. Taking orders from customers, shipping the volumes, negotiating licenses for electronic delivery, maintaining access controls, providing help for online users—all are essential to the success of *Math Reviews* and all are done by the same departments that



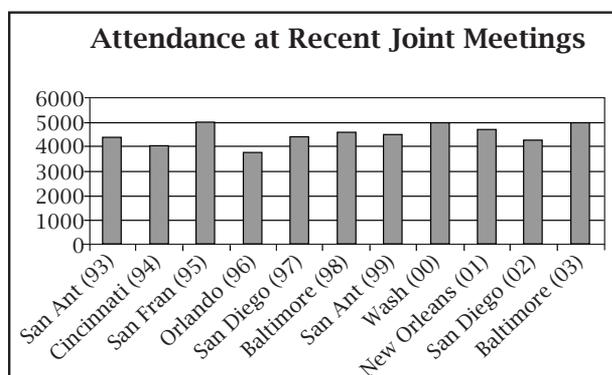
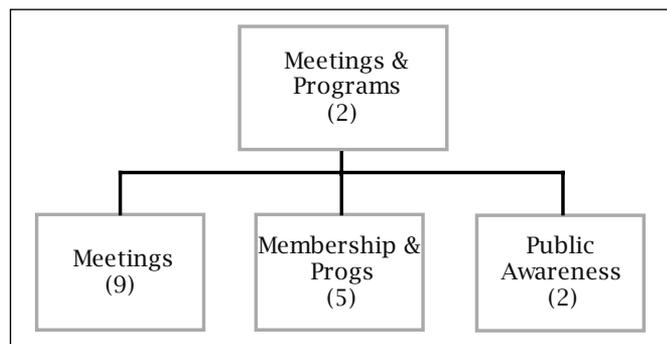
Above, *Math Reviews* building, Ann Arbor. Below, Otto Neugebauer, founder of *Math Reviews*.

do them for journals and books. In recent years consortia have become an important part of *Math Reviews* subscriptions. Because of consortia, the number of institutions with access to *Math Reviews* has more than doubled over the past ten years. Negotiating and maintaining consortia is labor intensive, and it is carried out by staff in the publisher's office.

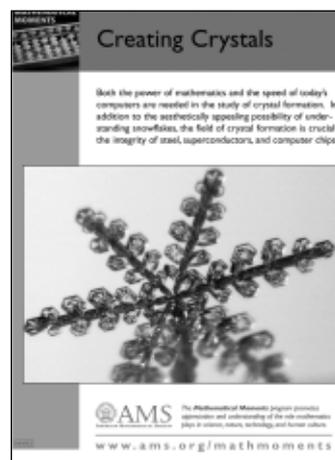
By any measure, *Math Reviews* is a thriving success, widely thought of as the signature product of the AMS. The Society is justifiably proud of that success.

Meetings and Professional Services

When most people think of a scientific society, they think of the activities done in this division. Holding meetings, cultivating membership, providing services to the community, and promoting mathematics—this is the division that carries out the work of a *membership* society.



The Meetings Department supports one national meeting each year (held jointly with the Mathematical Association of America, as well as a number of other organizations). The Joint Meetings have grown in recent years, and the recent meeting in Baltimore set a record for the number of mathematicians attending. The department also supports eight sectional meetings, one or two joint international meetings, the summer research conferences, and various other functions (such as the Arnold Ross Lecture, which is held at a science museum and directed at high school students). In the past few years we have staffed MathFest in the summer as a sale of service to the MAA. Running a meeting of 5,000 people is a tough job; our Meetings Department is known for its professionalism and service.



Membership and Programs has recently taken on the responsibility of “membership development”, a task that is separate from day-to-day service to members. This is a

department with a wide variety of tasks: the annual surveys, the Employment Center, the new Mathjobs program, book donations, Young Scholars, the Ky Fan China program, the selection of summer conferences, support for the NSF and NSA postdoc panels, etc. During the current year this department is also leading an effort to review and plan for future changes in the way we approach membership.

Last year’s annual report to the Council concentrated on the Public Awareness Office. In just a few years this part of the AMS has changed the way we approach outreach beyond our community. There is an increased presence of press at the Joint Meetings in January, and it will be crucial to nurture that increase. Mathematical Moments (one-page sheets designed to convey the importance of mathematical research) have been a great success and are widely admired and circulated. The popular Who Wants to be a Mathematician game has drawn enthusiastic audiences of high school students. The column “What’s New in Mathematics” on our website is a wonderful resource. And many written materials, from brochures to newsletters, have explained the AMS to members and nonmembers alike. The Public Awareness Office is now an integral part of the Society’s operations.

Washington Office

The Washington office of the AMS is just a bit over ten years old, and it is hard to imagine how the Society would function without it. The most important function of the office is to network with various groups in Washington: Congress and its staff, the agencies, and other scientific societies.



Sam Rankin and Rep. James Walsh, recipient of 2002 Public Service Award.



Phillippe Tondeur, Ingrid Daubechies, AMS president David Eisenbud at 2002 Congressional Luncheon.

Mathematics now has a visible presence in these communities, and that presence serves our discipline well. Whether it is a public quote in *Science* by Sam Rankin, the head of our Washington office, or a private phone call for advice about a pending bill, the many small ways in which mathematics is drawn into the affairs of Washington policy accumulate to a real advantage for mathematics.

In addition, there are many other projects carried out by the Washington office each year, including support for the Mass Media Fellows Program, an

annual Congressional Luncheon, the Joint Public Service Award, the Department Chairs Workshop (held at the Joint Meetings), prize breakfasts for the winners of the Presidential Awards (for high school teachers), our involvement in Preparing Future Faculty, and several education projects done jointly with the Mathematicians and Educational Reform Forum (MER).

We do all these things with a Washington office staff that is nominally three people, but in fact almost always has been two in recent years. Monica Foulkes, Sam's extremely able assistant, will be retiring in 2003; we will all miss her.

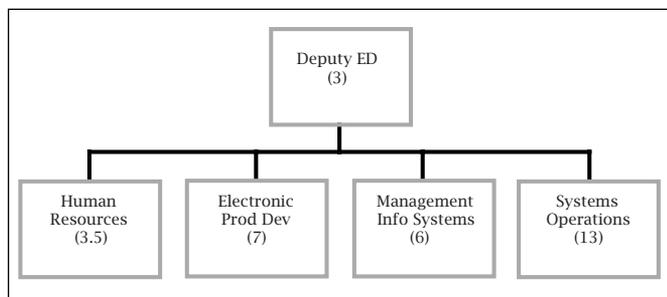
Administration

Administration sounds boring. But running a moderately large organization depends on effective administration for everything from managing employees (the Human Resources Department) to coordinating budgets and planning. Development work is carried out by this office in cooper-



ation with the executive director's staff. The division is directed by the deputy executive director, who stands in for the executive director when necessary.

In our present organization, Administration also contains three of the four computing departments in the So-



ciety. (The fourth is at *Math Reviews* in Ann Arbor.) Electronic Product Development works on projects for all other parts of the Society but spends much of its time on publications-related activities. It maintains and updates the AMS website. Management Information Systems supports



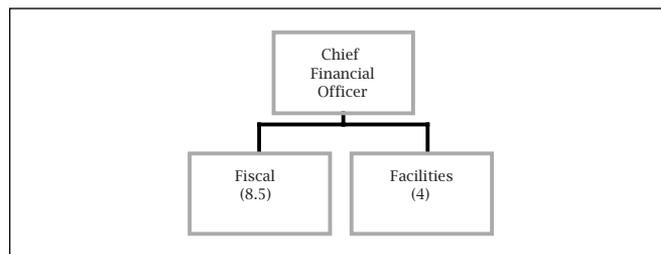
Dedication of the Radha G. Laha Gardens, AMS Headquarters.

all the internal computer applications that are required by any large business today, integrating our customer database with every part of our operation. Its job is to make information available whenever it is needed, not an easy job in a complex business. Systems and Operations supports the computing environment in our Rhode Island offices. It does everything from fine-tuning our Internet connection (and fending off attacks from the outside) to supporting individual users of office applications. Again, in a modern business this kind of computer support is crucial.

Finance

This is the other part of Administration, and it includes the Facilities Department as well as the Fiscal Department (which deals with every aspect of our finances). This division is headed by the chief financial officer.

The Facilities Department handles all aspects of our buildings and their support in Rhode Island. That includes a sprawling office complex in Providence as well as the warehouse/printing plant in nearby Pawtucket. People who haven't thought about it are often surprised at what is necessary to maintain large facilities like this—everything from shopping for utilities to installing new office furni-



ture to repaving parking lots to warding off flocks of nesting crows. Purchasing major equipment and supplies for a multimillion-dollar publishing operation is a major job by itself.

The Society is a reasonably complicated business for the size of its budget. Because of its diverse activities, from publishing to policy, its finances are more complex than most businesses of its size. Much of its business is international, making those finances even more complex. And the rules governing financial reporting for nonprofit organizations are complicated as well. Over the years the Society has developed extremely informative (and accurate) financial reporting.

Other than the computing departments, our administrative structure is relatively small at the AMS; we view this as a virtue. Many people, especially in academic life, forget about the costs associated with administrative support: for electricity and water, for waste collection, for security at night, for mail delivery, for annual auditors, for legal advice, for workers insurance, etc. In universities those services are embedded in everyday life and are part of the normal environment; they are easy to forget. In an organization such as ours, however, these are necessary and real—and someone has to pay for them. This is why journals and books cost more than many expect.

The description above is meant to provide an operational view of the Society. It is not a static view (we move departments from one division to another from time to time), and it does not mention many important activities in order to keep the description brief. But it is a description that is meant to show how the Society functions, day-by-day and year-by-year, carrying out its work both efficiently and flexibly in order to adjust to changing circumstances. That is something scientific societies must do easily and often.

—John Ewing

Report of the Treasurer (2002)

I. Introduction

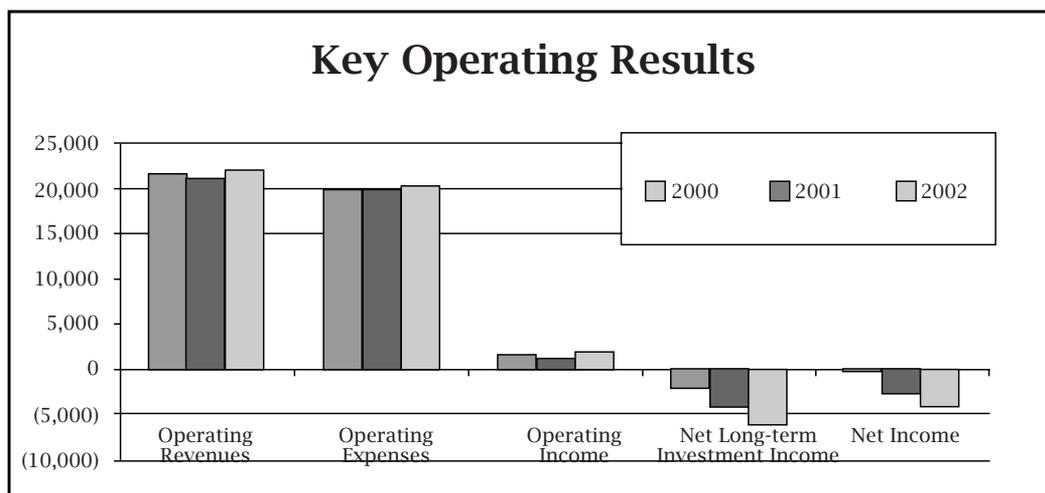
One of the most important duties of the treasurer is to lead the Board of Trustees in the oversight of financial activities of the Society. This is done through close contact with the executive staff of the Society, review of internally generated financial reports, review of audited financial statements, and direct contact with the Society's independent auditors. Through these and other means, the trustees gain an understanding of the finances of the Society and the important issues surrounding its financial reporting. The Report of the Treasurer is presented annually and discusses the financial condition of the Society as of the immediately preceding fiscal year-end and the results of its operations for the year then ended. It contains summary information regarding the operating results and financial condition of the Society for 2002, a Review of 2002 Operations, containing more detailed information regarding the Society's operations, and a discussion of the assets and liabilities of the Society. Finally, in the last part of the report there are summary financial statements which present the balance sheet and other financial statements of the Society.

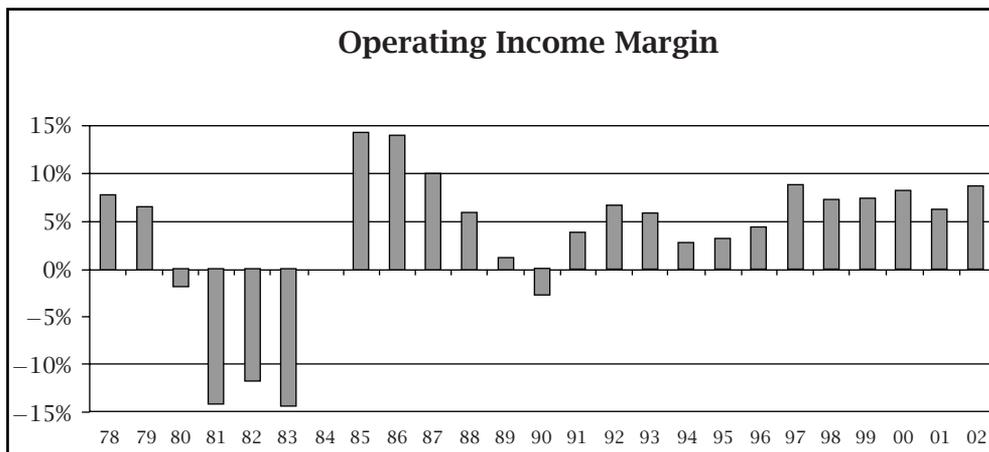
The Society segregates its net assets and the activities that increase or decrease net assets into three types. *Unrestricted net assets* are those that have no requirements as to their use placed on them by donors outside the Society. A substantial majority of the Society's net assets

and activities are in this category. *Temporarily restricted net assets* are those with donor-imposed restrictions or conditions that will lapse upon the passage of time or the accomplishment of a specified purpose. Examples of the Society's temporarily restricted net assets and related activities include grant awards and the spendable income from prize and other income-restricted endowment funds. *Permanently restricted net assets* are those that must be invested in perpetuity and are commonly referred to as endowment funds. The accompanying financial information principally relates to the unrestricted net assets, as this category includes the operating activities of the Society.

Unrestricted expenses in excess of unrestricted revenues for the year ended December 31, 2002, resulted in a deficit of approximately \$4,315,000. Of this amount, net losses on the unrestricted portion of the long-term investment portfolio totaled \$6,247,000, and net income from operations totaled \$1,932,000. The continuing weak financial markets in the U.S. during the year contributed to losses in the long-term portfolio of approximately 13.3%. These and other matters are discussed in more detail in the following sections.

The Society's net assets totaled \$43,043,000 at December 31, 2002: \$2,690,000 is permanently restricted, consisting principally of the original amount of donor restricted gifts and bequests received by the Society; \$1,361,000 is temporarily restricted by donor-imposed limitations that will lapse upon the passage of time or the use of the asset for its intended purpose; \$38,992,000 is unrestricted, of which \$31,651,000 has been designated by the Board of Trustees as reserved for future expenditure, principally in the form of the Economic Stabilization Fund (ESF). This fund's purpose is to provide a source of cash in the event of a financial crisis. The Society's Board of Trustees set the minimum level at which to maintain the ESF at the current estimate of the postretirement health benefit obligation plus 75% of operating expenses. As of the end of 2002, the value of the ESF exceeds the established minimum level. The remaining unrestricted net assets consist of \$4,466,000 invested in fixed assets and undesignated net assets of \$2,875,000.





II. Review of 2002 Operations

As indicated in the graph on the prior page, the past three years have been very good years financially for the Society, apart from investment losses incurred in these years.

Although the Society experienced investment losses in all of the past three years, the losses were a bit less than those seen in the broad market indexes, such as the S&P 500. In spite of these losses, long-term investments have generated high returns over a long period, and that income has helped the endowment funds (and the income they produce) to keep pace with inflation.

In 2002 the Board of Trustees appropriated investment income from the endowment funds whose use of income is unrestricted and from a portion of the Economic Stabilization Fund to support operations. The amount of such appropriations included in operating revenue is \$760,811 in 2002. Without this income included, operating revenues would have been only \$273,000 higher than in 2001, and operating income would have been approximately \$217,000 lower than in 2001. Of course, the long-term investment loss would have been lower by \$760,811 also.

When reflecting on years with good operating results, it is instructive to review the Society’s record for a somewhat longer period. The chart above shows operating

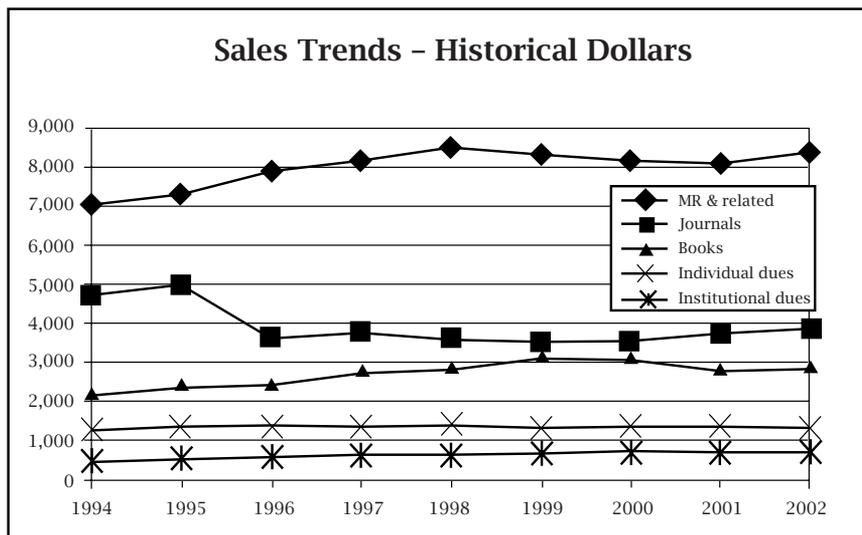
income as a percentage of operating revenues. Two observations are noteworthy. First, the margins achieved from 1997 to 2002 are somewhat higher than the average of the years presented. Second, the variation in margin over the more recent years is smaller than the variation in the earlier years. Taken together, these are positive financial indicators.

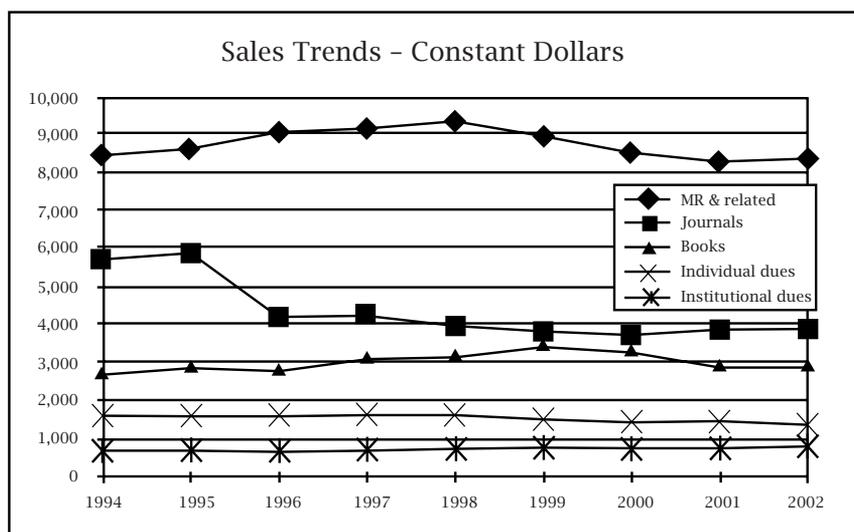
If the Board of Trustees had not appropriated investment income to support operations in 2002, the operating income margin percentage above would have been approximately 5.5%. While this is the lowest margin percentage in a number of years, it is still above the average for the 25-year period shown above.

Sales Trends

The graphs that follow show sales trends from 1994 through 2002, first in historical dollars and second in constant dollars (using 2002 as the base year and adjusting other years for inflation).

The trends shown in Sales Trends—Historical Dollars are mildly upward, and this is partly due to pricing strategies that counter the effects of inflation. Opposite, the chart is repeated with the underlying data converted to constant dollars.





Mathematical Reviews. Total sales of MR in its various forms increased in 2002. This is partly due to price increases effective in 2002. Also, the value of the dollar in many overseas markets began to fall in 2002, thus improving the exchange rate and lowering the effective cost of the products in many other countries. The Society continues to concentrate its marketing efforts on working with consortia, where costs can be spread over a larger number of institutions. This has the effect of providing the MR product line to a much wider audience than could afford it as individual institutions, as well as protecting the current revenue stream for future years. MR is currently financially healthy; however, it is probably unrealistic to expect significant increases in sales.

Journals. Journal revenues are holding reasonably constant, with perhaps slight improvements in the last three years. There continue to be financial pressures on libraries everywhere in the world. In particular, many countries have experienced economic problems that have been compounded by decreases in the value of their currency as compared to the dollar. This makes U.S. journals quite expensive, even though AMS journals have experienced very small price increases in U.S. dollars. This currency effect began to reverse course, with the dollar starting to weaken against major currencies in 2002 and into 2003. Hopefully, this will aid the Society's retention efforts.

The drop in 1996 resulted from decisions made by those in control of four Russian journals (*Izvestiya*, *Sbornik*, *Steklov*, and *Doklady*) to use sources other than the AMS for translation into English and distribution of the resulting translation journals.

Books. Book revenues recovered slightly from the 2001 sales level, although this only countered the effects of inflation for the year. There continues to be an overall sluggish market in scholarly book sales worldwide, consistent with the overall economic conditions. The Society continues to work with distributors and has revamped marketing efforts in order to keep the book program as healthy as possible in a difficult market.

Dues. Dues, the sum of individual and institutional, have shown a slight upward slope on the historical dollars chart and a nearly flat line in constant dollars. This is expected for institutional dues, as the number of members varies little from year to year and the dues rates have been set so that dues will increase at about the same level as inflation. There has been a slight decline in individual dues from their high in 1998.

Major Expense Categories

The table on the next page shows the major expenses for 2000, 2001, and 2002 in thousands of dollars. In terms of how expense dollars are allocated, there is not much change from year to year.

III. Assets and Liabilities

So far, this report has dealt with revenues and expenditures that affect unrestricted net assets. Another aspect of the Society's finances is what it owns and owes, or its assets and liabilities, which are reported in the Balance Sheets. As discussed previously, the Society's net assets and activities that increase or decrease net assets are classified as unrestricted, temporarily restricted, or permanently restricted. A majority of the assets and liabilities detailed on the accompanying Balance Sheets constitutes the unrestricted net assets. The permanently restricted net assets are supported by investments in the long-term investment portfolio, and the temporarily restricted net assets are supported by investments in the long-term and short-term investment portfolios. The Market Value of Invested Funds shows the market value of each endowment and Board-designated (quasi-endowment) fund, including any reinvested earnings.

The Society's fiscal year coincides with the period covered by subscriptions and dues. Since dues and subscriptions are generally received in advance, the Society reports a large balance of cash and short-term investments on its financial statements at year-end. This amounted to approximately \$13,985,000 and \$14,349,000 at December 31, 2002 and 2001, respectively. The recorded liability for the revenues received in advance was

Major Expense Categories

	2000		2001		2002	
Personnel Costs	\$12,152	61%	\$12,801	65%	\$12,945	64%
Building and equipment related	1,561	8%	1,541	8%	1,436	7%
Postage	926	5%	838	4%	844	4%
Outside printing and binding	950	5%	817	4%	848	4%
Travel, staff and volunteers	588	3%	462	3%	488	3%
All other expenses	3,659	18%	3,213	16%	3,602	18%
TOTAL	<u>\$19,836</u>	<u>100%</u>	<u>\$19,672</u>	<u>100%</u>	<u>\$20,163</u>	<u>100%</u>

approximately \$11,155,000 and \$10,510,000 at December 31, 2002 and 2001, respectively.

The Society's property and equipment include land, buildings and improvements, office furniture and equipment, and software. The Society also owns a small amount of transportation equipment. The land, buildings, and improvements include the Society's Rhode Island headquarters, with buildings in Providence and Pawtucket, and the *Mathematical Reviews* offices in Ann Arbor. The largest part of the Society's office equipment is its investment in computer facilities.

The Society's endowment is managed under the "total return concept". Under this management policy, income in excess of a reasonable amount (set by the Board of Trustees) is reinvested and increases the value of the fund. This allows for growth in income over time. As discussed previously, in 2002 the Board of Trustees appropriated investment income from the true endowment funds whose use of income is unrestricted and a portion of the Economic Stabilization Fund to support operations. The amount of such appropriations included in operating revenue is \$760,811 in 2002.

IV. Summary Financial Information

The following are summaries of the audited annual financial statements of the Society. Each year the Audit Committee of the Board of Trustees meets with the Society's auditors to review the conduct of the audit, the Society's financial statements, and the auditors' report on the financial statements. Pursuant to the recommendation of the Audit Committee, the Board of Trustees has accepted the audited financial statements. A copy of the Society's audited financial statements, as submitted to the trustees and the Council, will be sent from the Providence office to any member who requests it from the Treasurer. The Treasurer will be happy to answer any questions members may have regarding the financial affairs of the Society.

—Respectfully submitted,

John M. Franks
Treasurer

BALANCE SHEETS

December 31, 2002 and 2001

Assets	2002	2001
Cash and cash equivalents	\$ 447,334	\$ 400,373
Short-term investments	13,537,923	13,948,678
Receivables, less allowances of \$191,587 and \$191,032, respectively	1,135,479	1,180,687
Deferred prepublication costs	614,291	460,574
Completed books	1,285,692	1,416,773
Prepaid expenses and deposits	1,041,481	1,132,798
Land, bldgs., and equipment less accumulated depreciation	4,466,363	4,703,304
Long-term investments	<u>38,282,201</u>	<u>41,204,704</u>
Total assets	<u>\$60, 810,764</u>	<u>\$64,447,891</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 1,181,860	\$ 1,217,921
Accrued expenses:		
Severance and study leave pay	1,226,495	1,387,700
Payroll, benefits and other	1,456,936	1,455,410
Deferred revenue	11,153,592	10,509,962
Postretirement benefit obligation	<u>2,748,747</u>	<u>2,431,095</u>
Total liabilities	<u>17,767,630</u>	<u>17,002,088</u>
Net assets:		
Unrestricted:		
Undesignated	2,874,573	5,249,784
Designated	31,650,773	33,353,895
Invested in fixed assets	<u>4,466,363</u>	<u>4,703,304</u>
	38,991,709	43,306,983
Temporarily restricted	1,361,037	1,785,630
Permanently restricted	<u>2,690,388</u>	<u>2,353,190</u>
Total net assets	<u>43,043,134</u>	<u>47,445,803</u>
Total liabilities and net assets	<u>\$60,810,764</u>	<u>\$64,447,891</u>

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2002 and 2001

Changes in unrestricted net assets:

Operating Revenue	2002	2001
Publication:		
<i>Mathematical Reviews</i> and related activities	\$ 8,361,089	\$ 8,103,793
Journals (excluding MR)	3,891,416	3,772,670
Books	2,936,959	2,865,934
Sale of services	420,552	329,931
Other	130,638	114,970
Total publication revenue	<u>15,740,654</u>	<u>15,187,298</u>
Membership and professional services:		
Dues, services and outreach	4,164,299	3,567,146
Grants, prizes and awards	960,517	780,856
Meetings	872,541	867,038
Total membership and professional services revenue	<u>5,997,357</u>	<u>5,215,040</u>
Short-term investment income	262,141	508,973
Other	94,434	149,059
Total operating revenue	<u>\$22,094,586</u>	<u>\$21,060,370</u>
Operating Expenses		
Publication:		
<i>Mathematical Reviews</i> and related activities	\$ 5,377,497	\$ 5,317,096
Journals (excluding MR)	1,038,486	1,011,740
Books	2,512,238	2,463,291
Publication—		
divisional indirect	1,083,229	1,256,220
Warehousing and distribution	689,277	683,035
Marketing and sales	188,187	154,558
Sale of services	252,722	277,699
Total publication expense	<u>11,241,636</u>	<u>11,163,639</u>
Membership and professional services:		
Dues, services and outreach	2,772,368	2,728,458
Grants, prizes and awards	1,029,662	891,956
Meetings	803,132	700,899
Governance	384,256	393,892
Divisional indirect	515,949	231,670
Total membership and professional services expense	<u>5,505,367</u>	<u>4,946,875</u>
Other	71,075	(102,387)
Membership and customer services	733,987	1,043,715
General and administrative	<u>2,610,586</u>	<u>2,620,203</u>
Total operating expenses	<u>20,162,651</u>	<u>19,672,045</u>
Excess of operating revenue over operating expenses	1,931,935	1,388,325
Long-term investment loss in excess of investment earnings available for spending	<u>(6,247,209)</u>	<u>(4,305,159)</u>
Decrease in unrestricted net assets	<u>(4,315,274)</u>	<u>(2,916,834)</u>
Changes in temporarily restricted net assets:		

Contributions and grants	58,069	80,626
Long-term investment income (loss)	(109,647)	(108,766)
Net assets released from restrictions	<u>(373,015)</u>	<u>(396,070)</u>
Decrease in temporarily restricted net assets	<u>(424,593)</u>	<u>(424,210)</u>
Change in permanently restricted net assets—Contributions	<u>337,198</u>	<u>266,142</u>
Change in net assets	(4,402,669)	(3,251,242)
Net assets, beginning of year	<u>47,445,803</u>	<u>50,697,045</u>
Net assets, end of year	<u>\$43,043,134</u>	<u>\$47,445,803</u>

MARKET VALUE OF INVESTED FUNDS

December 31

	2002	2001	2000
Endowment Funds:			
Prize Funds:			
Steele	\$ 466,213	\$ 570,297	\$666,186
Birkhoff	28,204	34,500	40,302
Veblen	9,525	11,651	13,610
Wiener	9,525	11,651	13,610
Böcher	6,927	8,474	9,898
Conant	31,092	38,034	44,429
Cole	16,358	18,787	21,945
Satter	24,763	30,291	35,384
Morgan	33,836	41,390	48,349
Albert Whiteman	35,438	30,438	29,571
Arnold Ross Lectures	50,000	50,000	56,397
Trjitzinsky	374,719	458,254	535,304
C. V. Newsom	174,433	213,376	249,253
Centennial	89,438	107,570	123,905
Menger	9,250	10,602	11,800
Ky Fan (China)	366,757	366,757	376,397
Epsilon	448,808	340,350	251,165
Total (Income Restricted)	<u>2,175,286</u>	<u>2,342,422</u>	<u>2,527,505</u>
Endowment	563,358	679,815	759,397
Morita	90,337	109,011	120,913
Henderson	3,019,927	3,644,206	4,092,150
Schoenfeld/Mitchell	197,547		
Laha	156,879	189,309	189,309
Ritt	179,923	217,116	240,820
Moore	16,960	20,466	22,700
Total (Income Unrestricted)	<u>4,224,931</u>	<u>4,859,923</u>	<u>5,425,289</u>
Total Endowment Funds	<u>6,400,217</u>	<u>7,202,345</u>	<u>7,952,794</u>
Quasi-Endowment Funds:			
Friends of Math	123,572	123,572	123,572
Russian Royalties	17,829	17,829	17,829
Journal Archive Fund	237,078	225,750	206,528
Economic Stabilization Fund	30,880,809	32,493,104	36,055,884
Young Scholars	391,485	450,787	500,000
Charitable Gift Annuities		42,854	47,532
Total Quasi-Endowment Funds	<u>31,650,773</u>	<u>33,353,896</u>	<u>36,951,345</u>
Total Funds	<u>\$38,050,990</u>	<u>\$40,556,241</u>	<u>\$44,904,139</u>