



AMERICAN MATHEMATICAL SOCIETY

Financial Statements

December 31, 2005 and 2004

(With Independent Auditors' Report Thereon)



KPMG LLP
99 High Street
Boston, MA 02110-2371

Telephone 617 988 1000
Fax 617 988 0800
Internet www.us.kpmg.com

Independent Auditors' Report

The Board of Trustees
American Mathematical Society:

We have audited the accompanying balance sheets of the American Mathematical Society (the Society) as of December 31, 2005 and 2004, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

April 10, 2006

AMERICAN MATHEMATICAL SOCIETY

Balance Sheets

December 31, 2005 and 2004

Assets	2005	2004
Cash and cash equivalents (note 2)	\$ 674,624	360,398
Short-term investments (note 3)	16,145,544	16,384,598
Accounts receivable, net (allowances of \$230,000 and \$185,089, respectively)	1,135,742	800,123
Deferred prepublication costs	609,877	575,040
Completed books	972,114	986,303
Prepaid expenses and deposits	1,079,528	1,021,248
Land, buildings, and equipment, net (note 4)	3,828,156	4,027,381
Long-term investments (note 5)	60,258,660	54,740,077
Total assets	<u>\$ 84,704,245</u>	<u>78,895,168</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 1,545,820	1,198,389
Accrued expenses:		
Severance and study leave pay (note 6)	1,058,971	1,093,480
Payroll, benefits, and other	1,092,225	974,527
Deferred revenue	11,971,021	11,633,462
Postretirement benefit obligation (note 7)	3,998,645	3,538,947
Total liabilities	<u>19,666,682</u>	<u>18,438,805</u>
Net assets:		
Unrestricted:		
Undesignated	5,088,094	5,974,430
Designated (note 8)	50,853,118	45,374,083
Invested in fixed assets	3,828,156	4,027,381
	<u>59,769,368</u>	<u>55,375,894</u>
Temporarily restricted (note 9)	1,794,484	1,794,111
Permanently restricted (note 10)	3,473,711	3,286,358
Total net assets	<u>65,037,563</u>	<u>60,456,363</u>
Total liabilities and net assets	<u>\$ 84,704,245</u>	<u>78,895,168</u>

See accompanying notes to financial statements.

AMERICAN MATHEMATICAL SOCIETY

Statements of Activities

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Changes in unrestricted net assets:		
Operating revenue (notes 1 and 5):		
Publication:		
<i>Mathematical Reviews</i> and related activities	\$ 9,294,428	8,935,727
Journals (excluding <i>Mathematical Reviews</i>)	4,288,978	4,199,508
Books	3,081,012	3,047,302
Sale of services	379,114	341,789
Other	135,675	142,114
Total publication revenue	<u>17,179,207</u>	<u>16,666,440</u>
Membership and professional services, including net assets released from restrictions (note 9):		
Dues, services, and outreach	3,431,224	3,298,211
Grants, prizes and awards	977,253	669,036
Investment earnings available for spending (notes 1 and 5)	727,225	755,116
Meetings	822,188	938,409
Total membership and professional services revenue	<u>5,957,890</u>	<u>5,660,772</u>
Short-term investment income	503,262	331,610
Other	137,844	108,758
Total operating revenue	<u>23,778,203</u>	<u>22,767,580</u>
Operating expenses:		
Publication:		
<i>Mathematical Reviews</i> and related activities	5,919,533	5,635,138
Journals (excluding <i>Mathematical Reviews</i>)	1,276,304	1,323,861
Books	2,604,319	2,533,093
Divisional indirect	666,448	808,173
Customer services	791,142	675,595
Warehousing and distribution	776,448	716,452
Marketing and sales	219,230	229,373
Sale of services	325,231	226,930
Total publication expense	<u>12,578,655</u>	<u>12,148,615</u>
Membership and professional services:		
Dues, services and outreach	3,115,145	2,940,084
Grants, prizes and awards	1,278,042	732,548
Meetings	735,513	896,816
Governance	419,659	464,003
Divisional indirect	500,038	488,888
Total membership and professional services expense	<u>6,048,397</u>	<u>5,522,339</u>
Other	97,118	9,395
General and administrative	3,142,371	3,149,791
Total operating expense	<u>21,866,541</u>	<u>20,830,140</u>

AMERICAN MATHEMATICAL SOCIETY

Statements of Activities

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Excess of operating revenue over operating expense	\$ 1,911,662	1,937,440
Investment income in excess of investment earnings available for spending (note 5)	2,481,812	4,364,429
Change in unrestricted net assets	<u>4,393,474</u>	<u>6,301,869</u>
Changes in temporarily restricted net assets:		
Contributions	153,455	148,873
Investment income (note 5)	191,766	301,818
Net assets released from restrictions (note 9)	(344,848)	(247,580)
Change in temporarily restricted net assets	<u>373</u>	<u>203,111</u>
Change in permanently restricted net assets:		
Contributions	187,353	130,186
Change in permanently restricted net assets	<u>187,353</u>	<u>130,186</u>
Change in net assets	4,581,200	6,635,166
Net assets, beginning of year	<u>60,456,363</u>	<u>53,821,197</u>
Net assets, end of year	<u>\$ 65,037,563</u>	<u>60,456,363</u>

See accompanying notes to financial statements.

AMERICAN MATHEMATICAL SOCIETY

Statements of Cash Flows

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,581,200	6,635,166
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	429,783	517,615
Net realized and unrealized gain on long-term investments	(2,115,006)	(4,092,917)
Contributions restricted for permanent investment	(187,353)	(130,186)
Changes in assets and liabilities:		
Accounts receivable, net	(335,619)	423,789
Deferred prepublication costs	(34,837)	111,239
Completed books	14,189	179,204
Prepaid expenses and deposits	(58,280)	23,469
Accounts payable	347,431	(73,092)
Accrued expenses	83,189	(555,347)
Deferred revenue	337,559	836,843
Postretirement benefit obligation	459,698	430,200
Net cash and cash equivalents provided by operating activities	<u>3,521,954</u>	<u>4,305,983</u>
Cash flows from investing activities:		
Change in short-term investments	239,054	(1,170,782)
Purchases of property and equipment	(230,558)	(228,925)
Sales of long-term investments	3,402,357	5,911,643
Purchases of long-term investments	(6,805,934)	(9,266,502)
Net cash and cash equivalents used in investing activities	<u>(3,395,081)</u>	<u>(4,754,566)</u>
Cash flows from financing activities:		
Contributions restricted for permanent investment	187,353	130,186
Net change in cash and cash equivalents	314,226	(318,397)
Cash and cash equivalents at beginning of year	<u>360,398</u>	<u>678,795</u>
Cash and cash equivalents at end of year	<u>\$ 674,624</u>	<u>360,398</u>

See accompanying notes to financial statements.

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

(1) Description of Business and Summary of Significant Accounting Policies**(a) Description of Business**

The American Mathematical Society (the Society) was created in 1888 to further mathematical research and scholarship. It is an international membership organization, currently with over 29,000 members. The Society fulfills its mission with publications and professional programs that promote mathematical research, increase the awareness of the value of mathematical research to society and foster excellence in mathematics education.

(b) Basis of Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to focus on the Society as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Classifications of Net Assets

The Society's net assets and activities that increase or decrease net assets are classified as unrestricted, temporarily restricted, or permanently restricted.

Unrestricted net assets are those without any donor-imposed or other restrictions as to their use which are available for the general operations of the Society. The Society defines operating income as the net increase in unrestricted net assets derived from the activities related to the accomplishment of its mission, such as publications, programs, meetings and conferences, and member services. Investment earnings appropriated by the Board on unrestricted long-term investments are presented as an operating revenue. Any excess investment earnings (loss) is presented as a nonoperating revenue.

Temporarily restricted net assets are those whose use is restricted by some donor-imposed limitation which will lapse upon the passage of time, use of the asset for its intended purpose, or the meeting of other donor-imposed stipulations.

Permanently restricted net assets are those which must be permanently invested to provide a source of support for the activities of the Society and which are commonly referred to as endowments.

The Society is incorporated under the laws of the District of Columbia and is therefore subject to the provisions of the Uniform Management of Institutional Funds Act (the Act). Under the Act, the accumulated realized and unrealized gains related to the investment of an endowment gift may legally be appropriated for expenditure by the governing body of an organization unless the applicable gift instrument indicates the donor's intention that such gains may not be expended. None of the Society's endowment gift instruments executed by donors contains such a restriction.

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

Accordingly, the net gains on endowment gifts which contain no donor restrictions as to the use of income derived therefrom have been included in unrestricted net assets. The net gains on endowment gifts which contain donor restrictions as to the use of income derived therefrom have been included in temporarily restricted net assets. Only the original amount of endowment gifts has been included in permanently restricted net assets.

(d) Contributions and Net Assets Released from Restrictions

The Society records as contribution revenue unconditional promises to give. All other contribution revenue is recorded as received. If the contribution is made in assets other than cash, the amount of the contribution is measured at the fair value of the asset contributed at the date the contribution or unconditional promise to give is made by the donor.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated asset for some specific purpose or time period and as permanently restricted support if the donated asset must be invested in perpetuity.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

If a donor-imposed restriction is met for the full amount of the contribution within the year, the related revenues and expenses are recorded solely in the unrestricted net assets category in the accompanying statements of activities.

The Society receives contributed services from its members, principally as volunteer leaders in the governance structure of the Society and as volunteer members of editorial committees for the Society's various publications. The latter category of contributed services qualifies for recognition as income and expense under accounting principles, as the members of the editorial committees must possess specialized skills. However, the Society has no practical way of measuring the market value of the services received from its volunteer editorial committee members and, accordingly, no such estimate is included as revenue or expense in the accompanying financial statements.

(e) Investments and Related Income

Substantially all of the Society's investments, both short term and long term, are carried at fair value, as determined by quoted market prices. Investments in mutual funds are carried at the quoted net asset value of the fund, which approximates market value. Certain investments, such as money market funds and certificates of deposit, are carried at cost, which approximates market value.

The total return (interest, dividends, and realized and unrealized gains or losses) derived from permanently restricted net assets whose use of income is restricted for a specific purpose is recorded as investment return (loss) in the temporarily restricted net asset category. As the purpose restriction is met, the income is reclassified to the unrestricted net assets category via net assets released from restrictions.

The Board of Trustees annually appropriates investment earnings to support operations of the Society. The Board uses a 5% spending rate applied to the three-year moving average of the

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

board-designated Supplemental Economic Stabilization Fund to support the membership and professional services activities of the Society. The Board also annually appropriates investment income from the endowment funds whose use of income is unrestricted to support specific Society projects, using a 5% spending rate applied to the three-year moving average of these true endowment funds. The amount used to support these specific projects consisted of the following at December 31:

	2005	2004
Investment earning used to support operations:		
Included in membership and professional services revenue	\$ 612,500	661,800
Appropriated endowment income:		
Included in publication revenue	120,000	37,754
Included in membership and professional services revenue	114,725	93,316
	\$ 847,225	792,870

(f) *Deferred Prepublication Costs*

Prepublication costs, consisting of translation, editorial, composition and proofreading costs, are deferred until publication. Upon publication, prepublication costs related to books are transferred into completed books inventory and prepublication costs related to journals are expensed to offset subscription revenue for the journals.

(g) *Completed Books*

Publication costs of books, consisting of paper, printing, and prepublication costs, are deferred and charged to expense as the books are sold. Completed books are recorded in the accompanying balance sheets at the lower of average cost or market.

(h) *Land, Buildings, Equipment, and Accumulated Depreciation*

Land, buildings, and equipment are recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using straight-line or accelerated methods.

(i) *Membership Journals*

Members are provided certain journals at no charge as these journals are considered to be benefits of membership in the Society.

(j) *Revenue Recognition*

Advance collections for dues, subscriptions, and publications are deferred and generally recognized as income when the services are rendered or the publications shipped. For subscriptions to current-year journals for which all of the issues have not yet been published but for which substantially all of the costs have been incurred, the Society accrues estimated completion costs and

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

recognizes the related revenues. For sales of books and journals, revenue is recognized upon shipment. In addition, the Society reserves for its estimate of book returns.

(k) Income Taxes

The Society is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from income taxes pursuant to Section 501(a) of the Code. Rules and regulations regarding unrelated business income tax apply to the Society, but no activities resulting in a material amount of taxes due occurred in 2005 or 2004.

(l) Grant Income

The Society receives various grants, that are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grant; however, management believes that these disallowances, if any, would be immaterial.

(2) Cash and Cash Equivalents

Bank accounts and petty cash comprise the entire cash and cash equivalents balance as of December 31, 2004. A money market fund was added in 2005. The Society's bank accounts are federally insured to a maximum of \$100,000 each.

(3) Short-Term Investments

Short-term investments consist of the following as of December 31:

	<u>2005</u>	<u>2004</u>
Certificates of deposit	\$ 6,386,000	6,086,000
Fixed-income mutual funds	3,792,307	3,655,798
U.S. Government bonds, \$500,000 face value, 5-year TIPS, 0.875%, due April 15, 2010	499,383	—
Convertible securities mutual fund	1,040,000	975,633
Domestic corporate stock	8,928	2,780
Money market mutual funds	4,418,926	5,664,387
	<u>\$ 16,145,544</u>	<u>16,384,598</u>

It is the Society's policy to invest no more than the federal insured limit of \$100,000 in each financial institution's certificate of deposit. The income derived from these investments is unrestricted and used to support operations.

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

(4) Land, Buildings, and Equipment

The following comprise the Society's investments in land, buildings, and equipment as of December 31:

	<u>2005</u>	<u>2004</u>
Land and improvements	\$ 456,788	416,236
Building and improvements	6,241,973	6,187,111
Furniture, equipment and software	4,124,964	6,283,472
Transportation equipment	78,334	78,334
	<u>10,902,059</u>	<u>12,965,153</u>
Less accumulated depreciation	<u>(7,073,903)</u>	<u>(8,937,772)</u>
	<u>\$ 3,828,156</u>	<u>4,027,381</u>

During fiscal year 2005, management conducted a complete inventory of its equipment. As a result of that process, management removed fully depreciated and unused fixed assets in the amount of \$2,302,678. In addition, certain other fixed assets that were deemed unusable were written off or adjusted, resulting in a loss on disposal of fixed assets in the amount of \$12,385.

(5) Long-Term Investments

The Society's long-term investments are segregated into seven separate portfolios (including mutual funds), each with its own investment manager and investment objective. The overall investment strategy is determined by the Investment Committee of the Board of Trustees and is approved by the Board of Trustees annually. The primary investment objective of the long-term investment portfolio is an average real total return (net of investment fees and the effects of consumer inflation) of at least 6% over the long term. To achieve this result, the investment portfolio is allocated approximately 80% to equity investments and 20% to fixed-income investments. The equity investments are further diversified into domestic, international, and real estate holdings. Additionally, the entire portfolio is diversified across economic sectors, geographic locations, industries, and size of investees.

The following comprise the Society's total long-term investment portfolio as of December 31:

	<u>2005</u>		<u>2004</u>	
	<u>Value</u>	<u>Cost</u>	<u>Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 503,059	503,059	660,537	660,537
Domestic common stocks	8,344,342	6,712,404	7,545,796	6,153,455
Fixed-income mutual funds	12,703,596	12,750,480	11,878,994	11,728,552
Equity mutual funds:				
Domestic common stocks	30,778,900	25,849,665	27,677,848	23,868,510
Domestic real estate				
investment trusts	3,270,126	2,097,806	2,881,079	1,837,970
International common stocks	4,658,637	4,638,452	4,095,823	4,552,171
Total	<u>\$ 60,258,660</u>	<u>52,551,866</u>	<u>54,740,077</u>	<u>48,801,195</u>

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

The investment portfolio is allocated among the three categories of net assets as of December 31 as follows:

	<u>2005</u>	<u>2004</u>
Unrestricted net assets:		
Board-designated purposes (note 8)	\$ 50,853,118	45,374,083
Undesignated	4,502,660	4,659,030
Total allocated to unrestricted net assets	<u>55,355,778</u>	<u>50,033,113</u>
Total allocated to temporarily restricted net assets	<u>1,429,170</u>	<u>1,420,606</u>
Permanently restricted net assets:		
Unrestricted use of income	1,564,901	1,564,901
Restricted use of income	1,908,811	1,721,457
Total allocated to permanently restricted net assets	<u>3,473,712</u>	<u>3,286,358</u>
Total long-term investments, at value	<u>\$ 60,258,660</u>	<u>54,740,077</u>

The following schedule summarizes the investment return and its classification in the accompanying statements of activities for the years ended December 31:

	<u>2005</u>	<u>2004</u>
Dividends and interest, net of management fees of \$61,149 and \$57,300, respectively	\$ 1,405,797	1,366,200
Net realized and unrealized gain	<u>2,115,006</u>	<u>4,092,917</u>
Investment income	3,520,803	5,459,117
Less investment income classified as temporarily restricted	(191,766)	(301,818)
Less investment earnings available for spending	<u>(847,225)</u>	<u>(792,870)</u>
Investment income in excess of investment earnings available for spending	<u>\$ 2,481,812</u>	<u>4,364,429</u>

(6) Severance and Study Leave Pay

Certain employees of the Society receive vested rights to severance and study leave pay based upon salary and years of service. The Society provides for this obligation over the related years of the employees' service. The provision for severance and study leave pay charged to expense totaled \$125,985 and \$127,226 in 2005 and 2004, respectively.

(7) Pension and Retirement Benefits

(a) The Society has contributory retirement plans (the Plans) covering substantially all full-time employees. The Plans are administered by, and related assets are maintained with, Teachers Insurance and Annuity Association and College Retirement Equities Fund. The Society's retirement

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

expenses for these Plans totaled approximately \$1,020,400 and \$1,002,000 in 2005 and 2004, respectively.

- (b) The Society sponsors a defined benefit postretirement medical plan that covers substantially all full-time employees. Under the plan provisions, employees who retire from the Society at age 62 or older with at least 12 years of service are eligible for benefits under the plan. Plan benefits consist of health insurance coverage under a Medicare Supplement Plan and reimbursement of Medicare Part B premiums. Employees who retire before age 62 may qualify for coverage under the plan according to a longer service requirement schedule established by the Society. Spouses of eligible retirees are not covered. The plan is noncontributory and is unfunded.

In 1998, this plan was amended to include the prior service of employees previously leased from the University of Michigan as eligible service when such persons become Society employees. The resulting prior service cost of these employees is being amortized over the estimated average future service period until retirement.

The following table presents information relating to the plan for the years ended December 31:

	<u>2005</u>	<u>2004</u>
Benefit obligation	\$ 3,998,645	3,538,947
Fair value of plan assets	—	—
Accrued benefit cost	<u>\$ 3,998,645</u>	<u>3,538,947</u>
Benefits paid	\$ 75,300	62,500
Discount rate	5.50%	5.75%

Net postretirement benefit cost totaled approximately \$535,000 and \$492,800 for the years ended December 31, 2005 and 2004, respectively.

Assumed healthcare cost trend rates at December 31 were as follows:

	<u>2005</u>	<u>2004</u>
Healthcare cost trend rate assumed for next year	8.2%	9.8%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	8.0%
Year that the rate reaches the ultimate trend rate	2008	2007

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

	<u>1-percentage- point increase</u>	<u>1-percentage- point decrease</u>
Effect on total service and interest cost components for 2005	\$ 42,000	(34,000)
Effect on accumulated postretirement benefit obligation at December 31, 2005	409,000	(327,000)

The expected future benefit payments under current plan provisions for the next ten years are as follows:

Year-end:		
2006	\$	87,000
2007		88,000
2008		93,000
2009		96,000
2010		99,000
2011-2015		551,000

(8) Designated Unrestricted Net Assets

The Board of Trustees of the Society has designated components of unrestricted net assets to support certain purposes. All such designated funds within unrestricted net assets are supported by the unrestricted portion of the long-term investment portfolio. The Economic Stabilization Fund is designated to provide support for the Society in future years should the need arise. The Journal Archive Fund is designated to accumulate funds to support changes that may be necessary for electronic files to be available for future use due to as-yet-unforeseen technological changes. The Epsilon Fund for Young Scholars was created by the Board of Trustees in 2000 to augment the funds in a true endowment fund that supports programs for high school mathematics students. In May 2005, the Board of Trustees merged the Friends of Mathematics and Russian Royalty Funds with the Economic Stabilization Fund, as the original Board purposes for these funds were no longer relevant.

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

The following comprise the balances in these designated funds within unrestricted net assets as of December 31:

	<u>2005</u>	<u>2004</u>
Economic Stabilization Fund – Base	\$ 30,182,936	28,327,006
Economic Stabilization Fund – Supplemental	19,608,088	15,950,508
Friends of Mathematics Fund	—	123,572
Journal Archive Fund	487,182	415,606
Epsilon Fund for Young Scholars	574,912	539,561
Russian Royalties Fund	—	17,830
Total	<u>\$ 50,853,118</u>	<u>45,374,083</u>

(9) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of amounts restricted by donors for the following purposes as of December 31:

	<u>2005</u>	<u>2004</u>
Restricted purpose:		
Prizes and scholarships	\$ 219,621	226,988
Lectures	32,484	23,042
Fellowships	192,740	174,726
Special programs	13,020	13,020
Charitable gift annuities	205,684	232,986
Grant-supported projects	—	52,481
Other miscellaneous	34,303	31,579
Accumulated gains on purpose-restricted endowment gifts, principally related to the prize funds	<u>1,096,632</u>	<u>1,039,289</u>
Total	<u>\$ 1,794,484</u>	<u>1,794,111</u>

AMERICAN MATHEMATICAL SOCIETY

Notes to Financial Statements

December 31, 2005 and 2004

Assets released from restrictions totaled \$344,848 and \$247,580 in 2005 and 2004, respectively, entirely due to the accomplishment of the designated purposes.

(10) Permanently Restricted Net Assets

Permanently restricted net assets are supported by the long-term investment portfolio. The Society has two types of endowments: gifts with no donor designations as to the use of income derived therefrom and gifts whose donors have designated a specific purpose in the gift instrument. These endowments consisted of the following at December 31:

	<u>2005</u>	<u>2004</u>
Endowment without donor designation on use of income	\$ 1,564,901	1,564,901
Endowment with donor designation on use of income:		
Prizes	358,608	277,250
Scholarships and fellowships	252,130	252,130
Symposia and lectures	160,000	150,000
China collaboration	366,757	366,757
Epsilon fund for young scholars	771,315	675,320
	<u>\$ 3,473,711</u>	<u>3,286,358</u>