
Introduction
The Report of the Treasurer is presented in the Notices annually. Its purpose is to discuss the financial condition of the Society as of the immediately preceding fiscal year-end and the results of its operations for that same year. One of the key responsibilities 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 twice-yearly meetings 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.

This is my tenth and final Treasurer’s Report. My first report, published in the December 2011 Notices, was on the 2010 budget. Our balance sheets showed that the total assets of the American Mathematical Society had taken a notable step past the $100 million mark, to just under $105.5 million. This year’s Balance Sheets on the 2019 budget shows the AMS assets passed $219 million. Most of the gains have come from our investments, discussed in detail below. The Treasurer’s Report is always written with the assistance of the Chief Financial Officer (CFO). Emily Riley started as CFO at the AMS shortly after I became treasurer and will retire a few months before I finish my term. She has assisted me in all of my reports for the Notices by supplying all of the financial data and the preliminary analysis, so I want to take the opportunity to publicly thank her for that and for her invaluable financial guidance to the Society during her time at the AMS.

During my term as Treasurer, the AMS has continued to strengthen its financial position and has accumulated ample resources to help us deal with the current 2020 pandemic situation and beyond. I will turn to the analysis of the financials of the AMS and discussion from 2019, the topic of this report, and then discuss briefly the effect of the pandemic on the finances for 2020 and potential impacts further out.

The greatest positive impact on the Society’s 2019 financial results came from the 25.8% return on the long-term investment portfolio. Fortunately, the 2019 income from the endowment and other restricted funds that support AMS programs increased over the previous year, and it will increase again in 2020 since we use a four-year average to calculate spendable income for AMS programs from the unrestricted investments. The net operating income for the organization was $2.2 million as compared to $1.8 million in 2018, due to a slight increase in revenues and a decrease in expenses.

When reviewing the financial results of the AMS presented here, it is important to note that the financial support for its membership and professional programs is derived from multiple sources. First, a board-designated endowment fund, the Operations Support Fund (OSF), provided $3,630,000 in operating support to the membership and professional programs in 2019. The OSF is a fund that has grown throughout the years from operating net income as well as investment gains. Because the fund

All currency discussed in this report refers to US dollars.

Figure 1

Key Operating Results (in 000’s)
The Society's 2019 operating expenses decreased by less than 1%. Personnel-related costs increased 2.3% due to costs related to annual raises, and rising benefit costs. However, many other costs decreased from the prior year. The AMS has been managing expenses well through various initiatives, resulting in significant decreases to office expenses, travel and conferences, insurance, and use of outside personnel/contractual services.

As shown in Figure 2, the Society's net operating income has been positive for many years, with net income (operating revenues less expenses) of $2.2 million in 2019. Figure 3 shows the breakdown of the major expenses of the Society. Similar to other professional societies, the AMS’s largest expense is personnel costs. As part of the AMS five-year strategic plan implementation, the costs associated with various programs throughout the organization have been and continue to be reviewed to make certain operations remain efficient. These and other measures will ensure the viability of AMS programs for years to come.
Figure 4 shows the General, Administrative and Fundraising Cost Ratio. This ratio is total fundraising, general and administrative expense divided by total expenses. Donors and non-profit watchdog groups often monitor this ratio to ascertain if too much funding is being diverted to administrative costs. Generally, this percentage should be no greater than 25%, and the AMS is well below this threshold at 11.9% in 2019. These ratios are derived from the Statement of Functional Expenses located at the end of this report.

2019 Statements of Invested Funds
The Statements of Invested Funds are divided into the permanently restricted funds that have been acquired from donations in the form of endowment funds, and the funds that have been designated by the Board of Trustees for specific purposes (which we refer to as quasi-endowment funds).

The Society’s Statements of Invested Funds is a listing of the Society’s individual endowment and quasi-endowment funds. In addition, the invested funds of the Society contain a temporarily restricted fund, the Beal Prize, which at year-end amounted to $1.8 million. The corpus of this fund, $1,000,000, is set aside to fund a prize for solving the Beal Conjecture. The spendable income from the fund supports the Erdős Lecture and other programs. Overall, the 2019 Statements of Invested Funds show an increase of about $39 million compared to the prior year, because of the 25.8% return on the long-term investments and approximately $1.2 million in donations added to the permanent endowment during the year.

The quasi-endowment or board-designated funds are set aside for various purposes. The Economic Stabilization Fund (ESF) is a fund set aside to cover the postretirement benefit obligation and 50% of the current annual operating expenses in case of disaster. The ESF also contains funds to self-insure against flood risk. The Society’s largest quasi-endowment fund, the Operations Support Fund (OSF), valued at approximately $133.2 million, provided $3,630,000 in spendable income to the AMS operations in 2019.

A Word About 2020
Like other non-profit organizations, businesses, and universities across the country, the AMS has been greatly impacted by the pandemic in 2020. Staff have been working remotely at home since mid-March, and will most likely continue to do so through the end of the year. Radical shifts in operations due to COVID-19 have left academic-related organizations such as the AMS unable to simply rely on...
prior-year numbers to forecast finances and workforce numbers. Operating revenues for 2020 are more unpredictable at this time than in previous years though the predictions so far are that we will not lose a lot of money. While the stock market has fluctuated greatly since February 2020, the Investment Committee met weekly during the most volatile time and made some changes to the portfolio to protect our endowments. The AMS has greatly reduced expenses through various measures taken to prepare for the possibility of even greater revenue reductions in 2021. While expenses have been reduced during the pandemic, the Society continues to look for ways to increase benefits to its members in the mathematical community. For example, the AMS website provides online teaching resources, and new methods for accessing MathSciNet remotely are available. Members were offered some free e-book options, and the membership dues have been adjusted to account for unemployed members, new and old.

Summary Financial Information

The following Statement of Financial Position (Balance Sheet), Statement of Activities, and Statement of Functional Expense are from the audited financial statements of the AMS, and the Statements of Invested Funds are from the internal financial records of the AMS. Any member may contact the AMS to request the full audited statements of the Society. As Treasurer I will gladly answer any questions members may have regarding the financial affairs of the Society. I am happy to have the opportunity to introduce Doug Ulmer as the next Treasurer; he will take over on February 1, 2021.

Respectfully submitted,
Jane M. Hawkins
AMS Treasurer
AMERICAN MATHEMATICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$916,669</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>2,349,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>14,480,502</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance of $54,380</td>
<td>597,974</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>614,068</td>
</tr>
<tr>
<td>Completed books</td>
<td>2,035,209</td>
</tr>
<tr>
<td>Deferred prepublication costs</td>
<td>613,847</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>1,582,888</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>190,533,413</td>
</tr>
<tr>
<td>Land, buildings and equipment, net</td>
<td>4,337,565</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>1,150,477</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$219,211,612</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$4,600,281</td>
</tr>
<tr>
<td>Accrued study leave pay</td>
<td>792,281</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>12,469,895</td>
</tr>
<tr>
<td>Post retirement benefit obligation</td>
<td>7,131,977</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>24,994,434</td>
</tr>
</tbody>
</table>

Net assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions:</td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>4,424,172</td>
</tr>
<tr>
<td>Designated</td>
<td>162,158,927</td>
</tr>
<tr>
<td><strong>Total without donor restrictions</strong></td>
<td>166,583,099</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>With donor restrictions</td>
<td>27,634,079</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>194,217,178</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$219,211,612</td>
</tr>
</tbody>
</table>
AMERICAN MATHEMATICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Changes in net assets without donor restrictions:

Operating revenue:
- Mathematical reviews $12,794,163
- Journals 5,391,824
- Books 4,594,679
- Dues, services, and outreach 3,595,072

Investment returns:
  - Appropriated for spending 3,630,000
  - Short-term investments 740,264
  - Other publications-related revenue 714,036
  - Grants, prizes and awards 1,236,973
  - Meetings 1,703,428
  - Unrestricted contributions 201,721
  - Other 248,771

Total operating revenue 34,850,931

Expenses:
- Program 28,633,655
- Management and general 3,383,243
- Fundraising 600,509

Total expenses 32,617,407

Increase in net assets from operations 2,233,524

Nonoperating revenues (expenses):
- Release of board designated funds (628,784)
- Investment return on long-term investments, net 33,820,301
- Investment return appropriated for current operations (3,630,000)
- Gain on sale of IP addresses 997,198
- Postretirement benefit-related changes other than net periodic cost 727,264

Total nonoperating revenue (expense) 31,285,979

Change in net asset without donor restrictions 33,519,503

Changes in net assets with donor restrictions:
- Contributions $1,680,978
- Investment returns 4,972,548
- Net assets released from restrictions (1,017,894)

Change in net assets with donor restrictions 5,635,632

Change in net assets 39,155,135

Net assets - beginning 155,062,043

**NET ASSETS - ENDING** $194,217,178
### AMERICAN MATHEMATICAL SOCIETY
### STATEMENT OF FUNCTIONAL EXPENSES
### FOR THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and awards</td>
<td>$ 758,522</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 758,522</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>14,514,395</td>
<td>1,477,520</td>
<td>353,147</td>
<td>16,345,062</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>3,873,435</td>
<td>415,674</td>
<td>70,136</td>
<td>4,359,245</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>1,028,759</td>
<td>151,866</td>
<td>27,607</td>
<td>1,208,232</td>
</tr>
<tr>
<td>Professional fees</td>
<td>84,965</td>
<td>88,961</td>
<td>5,776</td>
<td>179,702</td>
</tr>
<tr>
<td>Office expense</td>
<td>2,371,171</td>
<td>47,556</td>
<td>53,879</td>
<td>2,472,606</td>
</tr>
<tr>
<td>Occupancy</td>
<td>477,165</td>
<td>47,444</td>
<td>2,068</td>
<td>526,677</td>
</tr>
<tr>
<td>Royalties</td>
<td>528,750</td>
<td>-</td>
<td>-</td>
<td>528,750</td>
</tr>
<tr>
<td>Travel and conferences</td>
<td>1,444,501</td>
<td>240,107</td>
<td>28,377</td>
<td>1,712,985</td>
</tr>
<tr>
<td>Depreciation</td>
<td>821,503</td>
<td>252,211</td>
<td>5,363</td>
<td>1,079,077</td>
</tr>
<tr>
<td>Service contracts</td>
<td>380,874</td>
<td>98,806</td>
<td>4,306</td>
<td>483,986</td>
</tr>
<tr>
<td>Outside services</td>
<td>1,780,444</td>
<td>377,918</td>
<td>24,471</td>
<td>2,182,833</td>
</tr>
<tr>
<td>Insurance</td>
<td>166,958</td>
<td>22,258</td>
<td>970</td>
<td>190,186</td>
</tr>
<tr>
<td>Promotion and advertising</td>
<td>83,139</td>
<td>84</td>
<td>13,709</td>
<td>96,932</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>319,074</td>
<td>162,838</td>
<td>10,700</td>
<td>492,612</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$ 28,633,655</strong></td>
<td><strong>$ 3,383,243</strong></td>
<td><strong>$ 600,509</strong></td>
<td><strong>$ 32,617,407</strong></td>
</tr>
</tbody>
</table>
### Endowment Funds:
#### Income Restricted:

<table>
<thead>
<tr>
<th>Research Prize Funds</th>
<th>Original Gift</th>
<th>12/31/2019</th>
<th>12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steele</td>
<td>145,511</td>
<td>1,033,485</td>
<td>849,642</td>
</tr>
<tr>
<td>Birkhoff</td>
<td>50,232</td>
<td>129,861</td>
<td>106,760</td>
</tr>
<tr>
<td>Veblen</td>
<td>61,599</td>
<td>118,241</td>
<td>97,207</td>
</tr>
<tr>
<td>Wiener</td>
<td>63,773</td>
<td>107,524</td>
<td>88,397</td>
</tr>
<tr>
<td>Bocher</td>
<td>66,557</td>
<td>108,618</td>
<td>89,296</td>
</tr>
<tr>
<td>Conant</td>
<td>9,477</td>
<td>68,877</td>
<td>56,625</td>
</tr>
<tr>
<td>Birman Fellowship</td>
<td>625,835</td>
<td>768,120</td>
<td>543,119</td>
</tr>
<tr>
<td>Cole Number Theory</td>
<td>66,813</td>
<td>114,151</td>
<td>93,845</td>
</tr>
<tr>
<td>Cole Algebra</td>
<td>66,463</td>
<td>113,715</td>
<td>93,486</td>
</tr>
<tr>
<td>Satter</td>
<td>74,720</td>
<td>141,800</td>
<td>116,576</td>
</tr>
<tr>
<td>Chevalley Fund</td>
<td>115,100</td>
<td>157,547</td>
<td>129,522</td>
</tr>
<tr>
<td>Doob Prize</td>
<td>80,000</td>
<td>133,245</td>
<td>109,543</td>
</tr>
<tr>
<td>Robbins Prize</td>
<td>57,250</td>
<td>97,461</td>
<td>80,124</td>
</tr>
<tr>
<td>Eisenbud Prize</td>
<td>60,000</td>
<td>96,987</td>
<td>79,344</td>
</tr>
<tr>
<td>Conant</td>
<td>94,596</td>
<td>115,448</td>
<td>94,911</td>
</tr>
<tr>
<td>Birman Fellowship</td>
<td>100,155</td>
<td>127,644</td>
<td>104,938</td>
</tr>
</tbody>
</table>

#### Other Prize and Award Funds
- Morgan Prize: 25,000
- Albert Whitman: 95,513
- Arnold Ross Lectures: 109,779
- Tretian: 296,030
- C.V. Newsom: 100,000
- Centennial: 61,183
- Menger: 103,250
- Ky Fan (China): 366,757
- Impact Award: 22,110
- Green Fund for Diversity & Inclusion: 26,000
- Epulon: 2,369,030
- Next Generation Fund (NGF): 2,667,440
- Miriam Mirzakhani (NGF): 46,884
- William Leveque Fund (NGF): 1,000
- Einstein Lecture: 100,000
- Exemplary Program: 120,000
- Mathematical Art: 40,000

#### Total (Income Restricted): 8,288,076

#### Income Unrestricted:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Original Gift</th>
<th>12/31/2019</th>
<th>12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment</td>
<td>135,173</td>
<td>1,082,125</td>
<td>875,020</td>
</tr>
<tr>
<td>Morita</td>
<td>100,000</td>
<td>187,659</td>
<td>154,235</td>
</tr>
<tr>
<td>Henderson</td>
<td>548,223</td>
<td>5,595,860</td>
<td>4,598,840</td>
</tr>
<tr>
<td>Schoenfeld/Mitchell</td>
<td>575,447</td>
<td>1,060,953</td>
<td>871,989</td>
</tr>
<tr>
<td>Laha</td>
<td>189,309</td>
<td>356,441</td>
<td>292,956</td>
</tr>
<tr>
<td>Ritt</td>
<td>51,347</td>
<td>333,394</td>
<td>274,014</td>
</tr>
<tr>
<td>Moore</td>
<td>2,575</td>
<td>31,427</td>
<td>25,830</td>
</tr>
</tbody>
</table>

#### Total (Income Unrestricted): 1,600,074

#### Total Endowment Funds: 9,888,151

#### Quasi-Endowment Funds:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Original Gift</th>
<th>12/31/2019</th>
<th>12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal Archive Fund</td>
<td>1,967,398</td>
<td>1,869,077</td>
<td></td>
</tr>
<tr>
<td>Young Scholars</td>
<td>1,145,888</td>
<td>939,242</td>
<td></td>
</tr>
<tr>
<td>Economic Stabilization Fund (ESF)</td>
<td>25,015,821</td>
<td>25,402,940</td>
<td></td>
</tr>
<tr>
<td>Backfile Digitization Fund</td>
<td>96,207</td>
<td>76,502</td>
<td></td>
</tr>
<tr>
<td>Strategic Initiative Fund</td>
<td>372,882</td>
<td>332,846</td>
<td></td>
</tr>
<tr>
<td>Kathleen Baxter Memorial Fund</td>
<td>357,120</td>
<td>292,724</td>
<td></td>
</tr>
<tr>
<td>Operations Support Fund (OSF)</td>
<td>133,203,639</td>
<td>103,642,293</td>
<td></td>
</tr>
</tbody>
</table>

#### Total Quasi-Endowment Funds: 162,158,925

#### Total Long Term Investments: 190,533,413