



Report of the Treasurer (2021)

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 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 internal financial management 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 and financial reporting of the Society.

Operating results for 2021 were generally positive, with net operating income of \$2.07 million as compared to \$1.75 million in 2020. Careful planning and cost control by AMS staff offset reduced revenues from meetings and dues, while revenues from publications increased modestly, and income allocated from the endowment increased by 14%. Our endowment spending policy directs 4% of a four-year rolling average of assets toward operations, and these funds provide extra capacity as well as stability during difficult times.

Investment results were also positive, with long-term investment holdings increasing by \$29.7 million or 14.4% compared to year-end 2020. During 2020, the Investment Committee and the Board of Trustees moved the Society's long-term portfolio to a more conservative, "all-weather" stance of roughly 60% in equities (including a small exposure to international equities) and 40% in bonds. This move served us well in 2021, and we hope it will continue to do so as we enter what may be a period of high volatility and low expected returns.

Overall net AMS assets increased to \$238 million in 2021 from \$211 million in 2020, an increase of 12.9%. During the last five years, AMS net assets have increased 69.9% which is a compound annual growth rate of almost 11.2%.

Other financial metrics confirm that the AMS is in good financial health: its current ratio (ratio of current assets to liabilities) is 1.26, its ratio of debt-like obligations to assets is a very low 0.11%, and it has 211 days of cash on

hand. Most importantly, the AMS spends about 88% of its revenue on programs and less than 12% on administration and fundraising. All of these indicators compare favorably to non-profit averages.

The rest of this report discusses in more detail the operating revenues and expenses of the Society as well as its assets and long-term investments.

Operating Revenues and Expenses

Covid-19 continued to negatively impact operating revenues in 2021. New Covid-19 variants extended the pandemic and led to the cancellation of multiple in-person meetings including the 2021 and 2022 JMMs. As a result, the meetings department saw a 60% reduction in gross revenues. A reduction in miscellaneous income was driven mainly by reduced income from short-term investments, partially offset by an increase in unrestricted donations and increased revenue from MathJobs. Membership revenue reflects a continued erosion of individual memberships (down 7%). Institutional memberships saw a smaller decrease (3%). Overall membership revenues were down 4.7%. After a 5.7% drop in revenues in 2020, publications saw a modest gain of 0.2% in 2021. This was driven in part by MathSciNet® which saw a 1% growth in revenues from \$12.8 million in 2020 to \$12.94 million in 2021. MathSciNet continues to be the Society's single largest source of revenue. Appropriated spendable income from the endowments increased by 14.1% over 2020 and constituted 19% of AMS operating income in 2021. In total, gross revenues declined \$319 thousand or 1% from the prior year.

Revenue source	2021	2020	Variance from Prior Yr
Publications	21,662,457	21,609,228	0.2%
Endowment Income	6,167,290	5,403,746	14.1%
Membership	2,390,061	2,507,330	-4.7%
Miscellaneous	1,504,809	1,672,479	-10.0%
Meetings	561,620	1,412,422	-60.2%
Total Revenues	32,286,237	32,605,205	-1.0%

Expenses were reduced in most categories, especially personnel, where a voluntary retirement plan and a reduction in retirement matching for the highest-paid employees contributed to a savings of \$1.02M over 2020. Equipment rentals were down due to meetings being virtual, printing expenses were reduced by moving more operations in-house, and travel by volunteers and officers was greatly reduced due to Covid-19. There were increased building expenses due to critical maintenance on the Providence building, and the increase in other expenses was mostly due to an accounting quirk: Since JMM 2022 produced a loss, several prepaid expenses for it that would normally have been recognized in 2022 had to be recognized in 2021. In total, expenses declined by \$619 thousand or 2.2% from the prior year.

Expense type	2021	2020	Variance from Prior Yr
Personnel	21,404,043	22,423,555	-4.5%
Equipment	1,182,444	1,303,978	-9.3%
Building	838,426	709,178	18.2%
Printing and Mailing	657,012	726,743	-9.6%
Professional Services	1,961,434	1,998,941	-1.9%
Travel	129,852	295,476	-56.1%
All Other Expenses	3,900,122	3,281,130	18.9%
Total Expenses	30,073,333	30,739,000	-2.2%

Net income (revenues less expenses) for 2021 was \$2.2 million. It is a testament to the skill and dedication of AMS staff that the Society continues to operate in the black during very difficult times. The following table shows that the AMS has had net income averaging about \$2 million per year over the last five years:

	2021	2020	2019	2018	2017
AMS Revenues	32,286,237	32,605,205	35,331,000	33,647,000	31,552,000
AMS Expenses	30,073,333	30,739,000	31,971,000	31,813,000	30,579,000
AMS Net Income	2,212,904	1,866,205	3,360,000	1,834,000	973,000

Long-Term Investments and Net Assets

As of December 31st, 2021, the American Mathematical Society balance sheets show total assets of \$260.7 million and total liabilities of \$22.5 million for a net asset balance of \$238.2 million. This represents a 12.9% increase over the prior year and a 69.9% total increase over the past 5 years.

	2021	2020	2019	2018	2017	2016
Total Assets	260,729,239	232,387,981	219,211,612	181,214,563	189,250,626	165,736,071
Total Liabilities	22,483,288	21,388,124	24,994,434	26,152,520	26,267,029	25,500,186
Net Assets	238,245,951	210,999,857	194,217,178	155,062,043	162,983,597	140,235,885

The largest driver of net asset growth has come from the Society's long-term investments portfolio. Indeed, the Society's net assets and the value of the long-term investments are closely correlated.

The AMS portfolio enjoyed a 14% return in 2021 and at year end, the AMS investments had increased from \$206 million the prior year to \$235.7 million.

Overall, 2021 was a good year for US financial markets. The S&P 500 index had a total gain of 26.9% for the year. A broad index of US bonds was down about 5.5% for the year. Both equity and bond markets experienced dramatically increased volatility in the first half of 2022, and one should be cautious about extrapolating results from 2021 into the future.

Summary Financial Information

The following Statement of Financial Position, 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 would be happy to answer any questions members may have regarding the financial affairs of the Society.

*Respectfully submitted,
Douglas Ulmer
Treasurer of the AMS*

**AMERICAN MATHEMATICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

ASSETS

Cash	\$ 4,814,562
Certificates of deposit	250,000
Short-term investments	12,161,140
Accounts receivable, net of allowance of \$41,580	694,297
Contributions receivable, net	155,930
Completed books	1,558,938
Deferred prepublication costs	434,816
Prepaid expenses and deposits	709,872
Long-term investments	235,701,710
Land, buildings and equipment, net	3,387,483
Intangible assets, net	860,491
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TOTAL ASSETS	\$ 260,729,239
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LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 5,874,112
Deferred revenue	10,677,673
Post retirement benefit obligation	5,931,503
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Total liabilities	22,483,288
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Commitments and contingencies (Notes 6, 10, and 11)	
Net assets:	
Without donor restrictions:	
Undesignated	10,269,246
Designated (Note 7)	194,765,697
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Total without donor restrictions	205,034,943
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With donor restrictions (Note 8)	33,211,008
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Total net assets	238,245,951
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TOTAL LIABILITIES AND NET ASSETS	\$ 260,729,239
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**AMERICAN MATHEMATICAL SOCIETY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Changes in net assets without donor restrictions:

Operating revenue:

Mathematical reviews	\$ 13,371,225
Journals	4,903,642
Books	4,284,750
Dues, services, and outreach	3,241,047
Investment returns:	
Appropriated for spending	4,430,000
Short-term investments	83,071
Other publications-related revenue	133,473
Grants, prizes and awards	871,243
Meetings	764,237
Contributions	360,089
Other	411,224

Total operating revenue	32,854,001
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Operating expenses:

Program	27,144,745
Management and general	3,043,706
Fundraising	592,377

Total operating expenses	30,780,828
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Increase in net assets from operations	2,073,173
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Nonoperating revenues (expenses):

Release of board designated funds	(187,699)
Investment return on long-term investments, net	25,668,882
Investment return appropriated for current operations	(4,430,000)
Postretirement benefit-related changes other than net periodic cost	287,956

Total nonoperating revenue	21,339,139
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Change in net asset without donor restrictions	23,412,312
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**AMERICAN MATHEMATICAL SOCIETY
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Changes in net assets with donor restrictions:	
Contributions	\$ 1,383,302
Investment returns	3,732,108
Net assets released from restrictions	<u>(1,281,628)</u>
Change in net assets with donor restrictions	<u>3,833,782</u>
Change in net assets	27,246,094
Net assets - beginning	<u>210,999,857</u>
NET ASSETS - ENDING	<u><u>\$ 238,245,951</u></u>

**AMERICAN MATHEMATICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Grants and awards	\$ 698,297	\$ -	\$ -	\$ 698,297
Salaries and wages	13,967,478	1,677,360	369,984	16,014,822
Employee benefits	3,521,200	416,760	88,951	4,026,911
Payroll taxes	938,451	128,932	26,311	1,093,694
Professional fees	15,044	88,554	4,929	108,527
Office expense	330,075	3,886	237	334,198
Printing and publications	2,346,943	8,385	49,328	2,404,656
Occupancy	545,002	48,531	2,332	595,865
Royalties	430,085	-	-	430,085
Travel and conferences	666,087	52,860	6,046	724,993
Depreciation and amortization	822,811	201,155	3,458	1,027,424
Service contracts - computers and equipment	504,332	38,094	1,831	544,257
Outside services	1,954,842	160,655	18,939	2,134,436
Insurance	169,641	23,015	1,106	193,762
Promotion and advertising	69,367	141	3,597	73,105
Miscellaneous	<u>165,090</u>	<u>195,378</u>	<u>15,328</u>	<u>375,796</u>
Total expenses	<u><u>\$ 27,144,745</u></u>	<u><u>\$ 3,043,706</u></u>	<u><u>\$ 592,377</u></u>	<u><u>\$ 30,780,828</u></u>

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Endowment, Board Restricted Funds, and the Activities they Support
as of December 31st, 2021

Classification	Name	Original Gift Value	Current Market Value	
		12.31.2021	12.31.2021	
Research Prize Funds	Bertrand Russell Prize	100,205.00	151,328.25	Award of \$5,000 every three years
	Birkhoff	50,232.00	153,784.13	Award of \$5,000 every three years
	Birman Fellowship	1,027,165.65	1,403,932.45	Annual award to be determined by the BT
	Bocher	66,557.00	129,634.40	Award of \$5,000 every three years
	Chevalley Fund	115,100.00	188,031.78	Biannual award of \$8,000
	Ciprian Foias Prize	106,375.13	120,255.76	Award of \$5,000 every three years
	Cole Algebra	66,838.00	135,723.46	Algebra - award of \$5,000 every three years
	Cole Number Theory	67,188.00	137,297.45	Number Theory - award of \$5,000 every 3 years
	Conant	9,477.00	82,206.30	Annual award of \$1,000
	Doob Prize	80,000.00	159,028.22	Award of \$5,000 every three years
	Eisenbud Prize	60,000.00	114,854.26	Award of \$5,000 every three years
	Mikhail Gordin Prize	47,806.42	85,447.03	Award of \$5,000 every four years
	Robbins Prize	57,250.00	136,493.99	Award of \$5,000 every three years, next award in 2022
	Satter	74,720.00	167,924.69	Award of \$5,000 every other year
	Steele	145,511.00	1,233,467.87	Three annual awards of \$5,000 each
	Ulf Grenander Prize	94,596.00	137,795.78	Award of \$5,000 every three years
	Veblen	61,599.00	140,022.89	Award of \$5,000 every three years
	Wiener	63,773.00	127,334.15	Award of \$5,000 every three years
Research Prize Funds Total		2,294,393.20	4,804,562.86	
Other Prizes & Awards	Albert Whiteman	95,513.14	215,501.42	Award of \$5,000 every three years
	Arnold Ross Lectures	111,784.00	222,436.47	Partially supports annual Arnold Ross Lecture
	BDMS: Bose, Datta, Mukhopadhyay & Sarkar Fund	100,111.11	102,483.54	
	Centennial	61,183.00	244,087.26	Partially supports annual Centennial Fellowships
	CV Newsom	100,000.00	457,603.29	Supports von Neumann Symposium, usually every four years (2020)
	Einstein Lecture	100,000.00	227,555.99	Supports the Einstein Lecture
	Epsilon	2,430,749.45	5,020,473.73	Partially supports Young Scholars Program
	Exemplary Program	120,000.00	255,116.71	Supports the annual \$5,000 Exemplary Program Prize
	Green Fund Diversity & Inclusion	26,000.00	39,732.35	Annual award of \$1,000
	Gross Impact	22,110.00	46,028.06	Award for impact on teaching and learning in Mathematics
	Ky Fan (China)	366,757.00	792,191.52	Supports Ky Fan China Program
	Mathematical Art	40,000.00	72,200.55	Supports the prizes for mathematical art at the JMM
	Menger	113,250.00	240,599.87	Supports annual awards at the Internat'l Science Fair (\$ also held by Duke)
	Morgan	25,000.00	89,459.96	Programs to support early career mathematicians
	NGF: Early Career Mathematician Fund	2,422,725.13	3,409,357.01	A named fund in the NGF endowment
	NGF: ATF The AMS Trustee Fund	50,000.00	55,901.44	A named fund in the NGF endowment
	NGF: BAK Bertram & Ann Kostant	7,500.00	8,388.06	A named fund in the NGF endowment
	NGF: BSIM Budapest Semesters in Mathematics	50,000.00	55,902.52	A named fund in the NGF endowment
	NGF: EMS Elias M Stein	38,280.52	85,973.29	A named fund in the NGF endowment
	NGF: HSIA	36,305.00	40,951.84	A named fund in the NGF endowment
	NGF: MM Maryam Mirzakhani	60,922.60	99,912.76	A named fund in the NGF endowment
	NGF: MSJT Mikio Sato & John Tate	30,000.00	33,536.91	A named fund in the NGF endowment
	NGF: NJ Nathan Jacobson	25,000.00	37,216.87	A named fund in the NGF endowment
	NGF: SHW Stephen H Wildstrom	15,000.00	27,303.26	A named fund in the NGF endowment
	NGF: TLBB Tom Leighton & Bonnie Berger	20,000.00	44,034.93	A named fund in the NGF endowment
	NGF: WHF Wendell H Fleming	25,000.00	27,947.40	A named fund in the NGF endowment
	NGF: WL William LeVeque	40,000.00	58,976.19	A named fund in the NGF endowment
	NGF: WTM William Ted Martin	244,740.42	271,922.84	A named fund in the NGF endowment
	Terry A. McKee Fund	93,523.62	22,740.27	
	The 2020 Fund	62,552.56	70,180.70	To support and promote the work of Black mathematicians
	Trjitzinsky	296,030.00	1,129,674.38	Annual scholarships for undergrads
	William Lockwood Forster Fund	5,000.00	16,589.79	
	Sigur Fund for Young Scholars	33,333.33	34,123.26	To support the Trjitzinsky awards
Other Prizes & Awards Total		7,368,370.88	13,657,509.64	
Quasi-Endowment	Backfile Digitization Fund	-	121,640.39	
	Economic Stabilization Fund (ESF)	-	27,230,121.99	
	Equity, Diversity & Inclusion Fund	-	1,356,785.62	In total, the spendable income from unrestricted true endowment funds is used to support annual activities of the AMS in the operating budget which are approved by the Board of Trustees during the budget approval process.
	Journal Archive Fund	-	2,357,524.78	
	Kathleen Baxter Memorial Fund	-	422,640.00	
	Operations Support Fund (OSF)	-	163,083,120.13	
Quasi-Endowment Total		-	194,771,490.02	
Temporarily Restricted	Beal Fund	1,885,413.72	2,167,321.82	\$1M prize for solving the Beal Conjecture. Only \$1M is restricted.
Temporarily Restricted Total		1,885,413.72	2,167,321.82	
Unrestricted	Endowment	125,511.27	1,256,409.37	
	Henderson	548,223.00	6,557,067.33	
	Moore	2,575.00	36,825.11	
	Morita	100,000.00	219,892.59	
	Ritt	51,347.00	390,661.03	
Unrestricted Total		1,590,412.27	10,121,713.90	
AMS Invested Operating Funds		-	10,179,114.40	
AMS Invested Operating Funds Total		-	10,179,114.40	
Grand Total		13,138,590.07	235,701,712.64	