

Institute of Mathematical Statistics

**Financial Statements
June 30, 2012**

Institute of Mathematical Statistics

Financial Statements

June 30, 2012

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Independent Auditor's Report

The Council
Institute of Mathematical Statistics

We have audited the accompanying statement of financial position of the Institute of Mathematical Statistics (the "Institute", a nonprofit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Institute's 2011 financial statements and, in our report dated November 28, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 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 audit provides 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 Institute of Mathematical Statistics as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ciuni + Panichi, Inc.

Cleveland, Ohio
November 5, 2012

Institute of Mathematical Statistics

Statement of Financial Position

June 30, 2012 (with comparative totals for 2011)

	<u>Assets</u>	
	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 566,350	\$ 392,986
Investments, at fair market value	2,161,332	1,892,790
Certificates of deposit	1,212,566	1,124,478
Accounts receivable	18,310	3,625
Interest receivable	1,917	1,088
Prepaid expenses	44,216	28,000
Assets restricted for endowment	<u>80,481</u>	<u>37,746</u>
Total assets	\$ <u>4,085,172</u>	\$ <u>3,480,713</u>
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Accounts payable and accrued liabilities	\$ 179,597	\$ 132,080
Unearned memberships, subscriptions, and meeting revenues	<u>1,252,460</u>	<u>1,192,229</u>
Total liabilities	1,432,057	1,324,309
Net assets:		
Unrestricted:		
Undesignated	2,466,496	2,020,541
Council-designated	<u>72,219</u>	<u>79,494</u>
Total unrestricted	2,538,715	2,100,035
Temporarily restricted	39,320	23,949
Permanently restricted	<u>75,080</u>	<u>32,420</u>
Total net assets	<u>2,653,115</u>	<u>2,156,404</u>
Total liabilities and net assets	\$ <u>4,085,172</u>	\$ <u>3,480,713</u>

The accompanying notes are an integral part of these financial statements

Institute of Mathematical Statistics

Statement of Activities

For the year ended June 30, 2012 (with comparative totals for 2011)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2012</u>	<u>Total 2011</u>
Revenues, gains, and support:					
Membership dues and journal subscriptions	\$ 330,229	\$ -	\$ -	\$ 330,229	\$ 325,341
Non-member subscriptions	1,558,045	-	-	1,558,045	1,514,857
Sales of back issues	5,841	-	-	5,841	12,559
Page charges	48,537	-	-	48,537	41,763
Sales of books	3,719	-	-	3,719	12,360
Scientific meetings	12,200	-	-	12,200	16,500
Managed meetings	16,670	-	-	16,670	151,019
Advertising	38,786	-	-	38,786	35,500
Offprints, royalties, and other	93,234	-	-	93,234	90,422
Net profit of joint venture publications	-	-	-	-	5,659
Contributions	300	16,835	42,660	59,795	1,694
Realized and unrealized (losses) gains	(18,482)	-	-	(18,482)	229,320
Interest and dividends	56,616	224	-	56,840	37,974
Net assets released from restrictions	<u>1,688</u>	<u>(1,688)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues, gains, and support	 2,147,383	 15,371	 42,660	 2,205,414	 2,474,968
Expenses:					
Program	1,577,513	-	-	1,577,513	1,867,088
General and administrative	<u>131,190</u>	<u>-</u>	<u>-</u>	<u>131,190</u>	<u>143,044</u>
 Total expenses	 <u>1,708,703</u>	 <u>-</u>	 <u>-</u>	 <u>1,708,703</u>	 <u>2,010,132</u>
 Changes in net assets	 <u>438,680</u>	 <u>15,371</u>	 <u>42,660</u>	 <u>496,711</u>	 <u>464,836</u>
 Net assets, beginning of year	 <u>2,100,035</u>	 <u>23,949</u>	 <u>32,420</u>	 <u>2,156,404</u>	 <u>1,691,568</u>
 Net assets, end of year	 \$ <u>2,538,715</u>	 \$ <u>39,320</u>	 \$ <u>75,080</u>	 \$ <u>2,653,115</u>	 \$ <u>2,156,404</u>

The accompanying notes are an integral part of these financial statements

Institute of Mathematical Statistics

Statement of Cash Flows

For the year ended June 30, 2012 (with comparative totals for 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Changes in net assets	\$ 496,711	\$ 464,836
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Write-off of uncollectible accounts receivable	271	8,856
Net profit of joint venture publications	-	(5,659)
Realized and unrealized losses (gains)	18,482	(229,320)
Contributions restricted for long-term purposes	(42,660)	-
Changes in operating assets and liabilities:		
Accounts receivable	(14,956)	(3,525)
Interest receivable	(829)	673
Prepaid expenses	(16,216)	9,696
Deposits	-	11,000
Accounts payable and accrued liabilities	47,517	211
Unearned memberships, subscriptions, and meeting revenues	<u>60,231</u>	<u>32,307</u>
Net cash provided by operating activities	548,551	289,075
Cash flows from investing activities:		
Purchases of investments and certificates of deposit, net of proceeds from sales	(417,682)	(468,076)
Restricted cash for endowment	(165)	(132)
Proceeds from dissolution of joint venture	-	<u>55,621</u>
Net cash used by investing activities	(417,847)	(412,587)
Cash flows from financing activities:		
Proceeds from contributions restricted for long-term purposes	<u>42,660</u>	-
Net cash provided by financing activities	<u>42,660</u>	-
Increase (decrease) in cash and cash equivalents	173,364	(123,512)
Cash and cash equivalents, beginning of year	<u>392,986</u>	<u>516,498</u>
Cash and cash equivalents, end of year	\$ <u><u>566,350</u></u>	\$ <u><u>392,986</u></u>

The accompanying notes are an integral part of these financial statements

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 1: Description of Organization

The Institute of Mathematical Statistics (the “Institute”) is an international professional and scholarly society devoted to the development and dissemination of the theory and applications of statistics and probability. Its activities include sponsorship of journals and other scientific publications, organization of scientific meetings, and cooperation with other scientific organizations.

The scientific journals are The Annals of Applied Probability, The Annals of Applied Statistics, The Annals of Probability, The Annals of Statistics, and Statistical Science. The IMS Bulletin is the news organ of the Institute. In addition, the Institute publishes The IMS Lecture Notes – Monograph Series and IMS Collections. Jointly with other organizations, the Institute publishes the Electronic Journal of Probability, Electronic Communications in Probability, Electronic Journal of Statistics, IMS Monographs, IMS Textbooks, Journal of Computational and Graphical Statistics, Probability Surveys, Statistics Surveys, Current Index to Statistics, and NSF-CBMS Regional Conference Series in Probability and Statistics. On behalf of other organizations, the Institute produces Annales de l’Institut Henri Poincaré (B) Probabilités et Statistiques, Bernoulli, Bernoulli News, Brazilian Journal of Probability and Statistics, and Stochastic Systems.

The Institute is an international organization of approximately 4,000 statisticians, probabilists, epidemiologists, and econometricians from industry, academia, and government.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The Institute follows authoritative guidance issued by the Financial Accounting Standards Board (“FASB”) which established the FASB Accounting Standards Codification (“ASC”) as the single source of authoritative accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets are expendable resources used to support the Institute’s core activities. These net assets may be designated for specific purposes by action of the governing body of the Institute (the “Council”) to be used for future periods (Council-designated).

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Institute and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If donor-imposed restrictions are met in the same year as they are imposed, the net assets are reported as unrestricted.

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Notes to the Financial Statements

June 30, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained by the Institute in perpetuity. Generally, the donors of these assets permit the Institute to use all or part of the income earned on any related investments for general or specific purposes.

Functional Allocation of Expenses

The costs of providing the program and supporting activities of the Institute have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to the appropriate programs and supporting activities.

Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Institute considers all unrestricted cash and highly liquid investments with initial maturities of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the accompanying statement of financial position. Interest and dividend income, and realized and unrealized gains and losses are included in the change in unrestricted net assets in the accompanying statement of activities, unless donor-imposed restrictions over specific investment earnings exist, in which case, the investment earnings are classified as either changes in temporarily or permanently restricted net assets in accordance with such donor-imposed restrictions. Temporarily restricted investment income is reported as unrestricted if such restrictions are met in the same fiscal year as the investment income is generated.

Receivables and Credit Policies

Accounts receivable includes uncollateralized obligations due primarily from the Institute's customers. Payments of receivables are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all receivable balances that exceed 90 days from invoice date and estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance for the aggregate remaining receivables based on historical collectability. At June 30, 2012, the allowance for doubtful accounts was \$-0-

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Revenue and Support Recognition

Membership dues and subscription fees are recognized as revenue on a straight-line basis over the term of the applicable membership and subscription period. Membership and subscription periods run from January 1 to December 31. Any time a member or non-member subscribes, he/she is entitled to all issues of the journal(s) published during the subscription period. The unearned portion of the revenue is recorded as a liability under the unearned memberships, subscription, and meeting revenues in the statement of financial position.

Lifetime membership fees are recognized as revenue over an amortization period of 12 to 15 years. Membership and subscriptions periods for lifetime members run from the first day of the calendar year a member subscribes through the member's death. The unearned portion of the revenue is recorded as a liability under the unearned memberships, subscription, and meeting revenues in the statement of financial position.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Unconditional promises to give are recognized as revenues in the period the promise is received. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. The promises are initially recorded at their estimated fair value.

Concentrations of Credit Risk

Financial instruments which potentially subject the Institute to concentrations of credit risk consist of cash and cash equivalents and investments.

The Institute has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Though the market value of investments is subject to fluctuations on a year to year basis, the Institute believes that the investment policy is prudent for its long-term welfare.

At various times during the year ended June 30, 2012, the Institute's cash in bank balances may have exceeded federally insured limits.

Production Costs of Publications

The Institute's policy is to expense the production costs of its publications as incurred rather than capitalize these costs as inventory. The Institute follows this policy as there is no discernible market for the publications after the initial distribution.

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Shipping and Handling Costs

Shipping and handling costs are recorded as incurred. These expenses are included in the functional expenses in Note 8.

Income Taxes

The Institute is a Section 501(c)(3) organization exempt from income taxes on activities related to its exempt purpose under Section 501(a) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. No provision for federal or state income taxes has been reported in its financial statements.

Income taxes are accounted for under the provisions of the “Income Taxes” topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. The Institute classifies interest and penalties related to income tax matters as income tax expense in the accompanying financial statements. As of June 30, 2012 and 2011, the Institute has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended.

The Organization files its Federal Form 990 in the U.S. federal jurisdiction and a state registration at the office of the state’s attorney general for the states of Ohio and California. The Institute is generally no longer subject to examination by the Internal Revenue Service for fiscal years before 2009.

Advertising

Advertising costs are expenses as incurred. Advertising expense amounted to \$8,190 and \$10,585 for the years ended June 30, 2012 and 2011, respectively.

Subsequent Events

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through November 5, 2012, the date the financial statements were available to be issued.

Note 3: Investments

The Institute is committed to a policy of low-cost long-term indexed investing with minimal intervention. The Institute’s investment funds (that is, the funds other than the operating funds or the operating reserve) are to be invested as follows:

- 70% in domestic and international equities
- 30% in fixed-income instruments

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 3: Investments (continued)

The allocation of funds held within the investment portfolio is reviewed quarterly and is rebalanced if the actual allocations differ from the targets stated above by more than five percent.

The Institute's investments are stated at fair value and are summarized as follows at June 30, 2012:

	2012		
	Cost	Fair Value	Unrealized Appreciation
Mutual funds – equities	\$ 1,508,157	\$ 1,537,327	\$ 29,170
Mutual funds – fixed income	595,293	624,005	28,712
Total investments	\$ 2,103,450	\$ 2,161,332	\$ 57,882

Note 4: Fair Value Measurements

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the Institute uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for which little or no market data exists, therefore, requiring an entity to develop its own valuation assumptions. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset and are based on the best available information, which has been internally developed.

Financial assets (liabilities) consisted of the following at June 30, 2012:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market funds (\$37,911 included in assets restricted for endowment)	\$ 237,058	\$ -	\$ -	\$ 237,058
Certificates of deposit (\$42,570 included in assets restricted for endowment)	1,255,136	-	-	1,255,136
Investments:				
Mutual funds – equities	1,537,327	-	-	1,537,327
Mutual funds – fixed income	624,005	-	-	624,005
	\$ 3,653,526	\$ -	\$ -	\$ 3,653,526

The Institute maintains an account with Vanguard Group for operating, operating reserve and reserve funds. Financial assets include a money market fund and several mutual funds carried at their fair market value and certificates of deposit maturing at various dates. The certificates of deposit are immediately convertible to cash with maturities ranging from three months to nine months.

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 5: Unearned Memberships, Subscriptions, and Meeting Revenues

Unearned memberships, subscriptions, and meeting revenues consist of the following for the years ended June 30:

	2012	2011
Member dues and subscription fees	\$ 195,288	\$ 144,636
Non-member subscription fees	785,077	771,963
Lifetime and lifetime retired membership dues and subscription fees	260,475	275,630
Meeting fees	11,620	-
Total unearned memberships, subscriptions, and meeting revenues	\$ 1,252,460	\$ 1,192,229

Note 6: Net Asset Classification of Endowment Funds

The Institute’s endowment consists of two donor-restricted endowment funds, the Le Cam Endowment and the Blackwell Lecture Endowment (see Note 10), established in order to fund professional lectures. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Institute has interpreted the State Prudent Management of Institutional Fund Act (“SPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard prudence prescribed by SPMIFA. In accordance with SPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- 1) the duration and preservation of the fund;
- 2) the purposes of the donor-restricted endowment fund;
- 3) general economic conditions; and
- 4) the expected total return.

Endowment net asset composition by type of fund as of June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	\$ -	\$ 6,734	\$ 75,080	\$ 81,814

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 6: Net Asset Classification of Endowment Funds (continued)

Changes in endowment net assets for the year ended June 30, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2011	\$ -	\$ 6,569	\$ 32,420	\$ 38,989
Investment return:				
Interest income	-	165	-	165
Total investment return	-	165	-	165
Contributions to perpetual endowment	-	-	42,660	42,660
Endowment net assets, June 30, 2012	\$ <u>-</u>	\$ <u>6,734</u>	\$ <u>75,080</u>	\$ <u>81,814</u>

Permanently restricted net assets:

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA	\$ <u>75,080</u>
Total endowment funds classified as permanently restricted net assets	\$ <u>75,080</u>

Return Objectives and Risk Parameters

While no formal investment or spending policy existed at June 30, 2012, the goal of the Institute was to invest in low-risk vehicles that provide a predictable stream of funding. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity. Currently, the endowment assets are invested in certificates of deposit.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through current yield (interest income). The Organization targets low-risk investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

While there was no formal spending policy established at June 30, 2012, any investment income earned on endowment assets is temporarily restricted to be appropriated for expenditure to fund the cost of a lecturer once every three years for the Le Cam Endowment and once every three to four years for the Blackwell Lecture Endowment.

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 7: Retirement Plan

The Institute participates in an employer matching 403(b) retirement annuity plan. The Institute matches 200% of the contributions of eligible employees up to 10% of the employee's gross salary. Employees who have completed three years of service are eligible to participate. The Institute contributed \$11,075 and \$10,557 for the years ended June 30, 2012 and 2011, respectively.

Note 8: Functional Expenses

Program and general and administrative expenses for the year ended June 30, 2012 were as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Production expenses (see Note 9)	\$ 850,431	\$ -	\$ 850,431
Editorial expenses (see Note 9)	251,715	-	251,715
Mailing and shipping at press	97,099	-	97,099
Salaries, payroll taxes, and employee benefits	70,385	70,385	140,770
Management fee	93,882	31,294	125,176
Scientific meetings	55,488	-	55,488
Managed meetings	15,479	-	15,479
Supported journal royalty	68,577	-	68,577
Postage and shipping from office	8,056	3,453	11,509
Insurance	14,688	6,295	20,983
Credit card fees and refunds	14,201	-	14,201
Professional fees	-	12,673	12,673
Business meetings	1,726	-	1,726
Membership drives and publicity	8,190	-	8,190
Information technology service	8,804	-	8,804
Storage	7,395	-	7,395
Contributions to other organizations	3,001	-	3,001
Rent and utilities	1,650	1,650	3,300
Administrative services	-	2,685	2,685
Printing, non-journal	901	-	901
Computer equipment and software	2,075	889	2,964
Supplies	543	543	1,086
Office expense and other	2,012	862	2,874
Telephone	442	190	632
Presidential fund	773	-	773
Bad debt expense	-	271	271
	<u>\$ 1,577,513</u>	<u>\$ 131,190</u>	<u>\$ 1,708,703</u>

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Notes to the Financial Statements

June 30, 2012

Note 8: Functional Expenses (continued)

Program and general and administrative expenses for the year ended June 30, 2011 were as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Production expenses (see Note 9)	\$ 896,210	\$ -	\$ 896,210
Editorial expenses (see Note 9)	299,269	-	299,269
Mailing and shipping at press	113,970	-	113,970
Salaries, payroll taxes, and employee benefits	67,304	67,304	134,608
Management fee	95,317	31,773	127,090
Scientific meetings	60,189	-	60,189
Managed meetings	164,169	-	164,169
Supported journal royalty	84,377	-	84,377
Postage and shipping from office	8,512	3,648	12,160
Insurance	14,685	6,294	20,979
Credit card fees and refunds	19,264	-	19,264
Professional fees	-	19,000	19,000
Business meetings	1,184	-	1,184
Membership drives and publicity	10,585	-	10,585
Information technology service	7,890	-	7,890
Storage	7,566	-	7,566
Contributions to other organizations	7,158	-	7,158
Rent and utilities	1,650	1,650	3,300
Administrative services	-	2,476	2,476
Printing, non-journal	3,812	-	3,812
Computer equipment and software	1,786	766	2,552
Supplies	591	591	1,182
Office expense and other	1,104	473	1,577
Telephone	496	213	709
Presidential fund	-	-	-
Bad debt expense	-	8,856	8,856
	<u>\$ 1,867,088</u>	<u>\$ 143,044</u>	<u>\$ 2,010,132</u>

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 9: Production and Editorial Expenses

Production and editorial expenses incurred were as follows:

	<u>2012</u>	<u>2011</u>
Production expenses:		
Core publications:		
The Annals of Applied Probability	\$ 110,369	\$ 115,490
The Annals of Applied Statistics	115,932	164,968
The Annals of Probability	118,221	105,200
The Annals of Statistics	187,130	204,817
Statistical Science	62,675	53,542
IMS Bulletin	20,162	27,951
IMS Collections	-	5,662
IMS Lecture Notes-Monograph Series	223	-
Web page	<u>12,462</u>	<u>11,576</u>
Total core publications	627,174	689,206
Supported publications:		
Annales de l'Institut Henri Poincaré	56,434	57,320
Bernoulli	60,242	58,555
Bernoulli News	3,026	3,209
Brazilian Journal of Probability and Statistics	<u>11,649</u>	<u>19,057</u>
Total supported publications	131,351	138,141
Co-sponsored publications:		
Probability Surveys	2,236	348
Statistics Surveys	618	193
Current Index to Statistics	10,802	10,721
Electronic Journal of Statistics	<u>6,615</u>	<u>579</u>
Total co-sponsored publications	20,271	11,841
General publication expenses:		
Electronic operations for all publications	<u>71,635</u>	<u>57,022</u>
Total general publication expenses	<u>71,635</u>	<u>57,022</u>
Total production expenses	\$ <u>850,431</u>	\$ <u>896,210</u>

Institute of Mathematical Statistics

Notes to the Financial Statements

June 30, 2012

Note 9: Production and Editorial Expenses (continued)

	2012	2011
Editorial expenses:		
The Annals of Applied Statistics	\$ -	\$ 215
Current Index to Statistics	32,137	30,000
IMS Bulletin	72,329	69,074
WWW editor	28,546	81,979
Managing and production editors	97,703	95,501
Central editorial office	21,000	22,500
Total editorial expenses	\$ 251,715	\$ 299,269

Note 10: Net assets

	2012	2011
The following are net assets available at June 30:		
Unrestricted:		
Undesignated	\$ 2,466,496	\$ 2,020,541
Council-designated:		
Dorweiller Fund	3,600	3,600
Hotelling Fund	1,600	1,600
New Researchers Meeting Fund	31,533	31,533
Development Fund	25,000	25,000
Laha Fund	10,486	17,761
Total Council-designated	72,219	79,494
Total unrestricted	2,538,715	2,100,035
Temporarily restricted:		
Schramm Lecture Fund	15,265	-
Tweedie Memorial Fund	12,985	13,642
Open Access Fund	4,336	3,738
Le Cam Earnings Fund	6,734	6,569
Total temporarily restricted	39,320	23,949
Permanently restricted:		
Blackwell Lecture Endowment	42,570	-
Le Cam Endowment	32,510	32,420
Total permanently restricted	75,080	32,420
Total net assets	\$ 2,653,115	\$ 2,156,404