

Annual Report of the IMS Treasurer

INTRODUCTION



This report details membership and subscription data for calendar year end 2004. In addition, it reviews the FY2004 (July 1, 2003 to June 30, 2004) financial

statements. I am proud to announce, for the fifth year in a row the IMS experienced another increase in total membership. We have many members taking advantage of the new membership options that have been introduced over the last four years. For 2005, we have added a new joint IMS/Bernoulli Society membership which allows members to receive 25% off membership when they join both societies. In addition, we have expanded student membership. Now students will receive free membership plus one free print journal.

The IMS Executive Committee and Council decided to put more funds back into our members. Several programs reflect this new philosophy including mini-meetings; student and new graduate membership; gratis electronic access to all journals for all members; discounts for on-time renewal; and travel funds for students and new researchers.

The financial status of the Institute continues to be strong and stable. Details of the events of the past year, membership and subscription data, sales data and a detailed analysis of the financial statement for FY2004 are given below.

Dues and Subscriptions Office

We recently renewed our agreement with the Federation for Societies in Experimental Biology (FASEB) to continue handling all dues and subscription processing. The IMS relationship with FASEB has been in place

since 2000. We have found increased efficiencies and economies of scale that allow us to invest more funds toward membership benefits rather than administration.

Societal Office

Elyse Gustafson is in her eighth year as our Executive Director. She continues to handle all societal issues from her office in Cleveland, Ohio. Elyse will provide a full report on activities from her office in an upcoming IMS Bulletin. Please be sure to read it.

Publications and Web

Journals: IMS journals are the core of our mission. The Annals continue to be top tier in the field. In 2004, the IMS began placing all IMS articles on the open access ArXiv (see <http://www.imstat.org/publications/arxiv.html> for more information).

Editors: Welcome to Ed George, Executive Editor, *Statistical Science*. We owe special thanks to George Casella who has completed his term and has served the IMS with great dedication.

Electronic Access: All IMS members receive electronic access to all IMS journals (1996 to date) through Project Euclid. In addition, members whose organizations do not subscribe to JSTOR can receive individual access to all IMS journals (1930-2001) via JSTOR. For more information see <http://www.imstat.org/publications/eaccess.htm>

IMS Lecture Notes – Monograph Series: Six volumes in this series have been published since my last report. Volume 42, *Mathematical Statistics and Applications: Festschrift for Constance van Eeden*, Marc Moore, Sorana Froda and Christian Léger, Editors; Volume 43, *Crossing Boundaries: Statistical Essays in Honor of Jack Hall*,

John E Kolassa and David Oakes, Editors; Volume 44, *The First Erich L. Lehmann Symposium – Optimality*, Javier Rojo and Victor Pérez-Abreu, Editors; Volume 45, *A Festschrift to Honor Herman Rubin*, Anirban Dasgupta, Editor; Volume 46, *Stein's Method: Expository Lectures and Applications*, Persi Diaconis and Susan Holmes, Editors; and Volume 47, *Recent Developments in Multiple Comparison Procedures*, Y. Benjamini, F. Bretz and S. Sarkar, Editors. More information on all volumes can be found at: <http://www.imstat.org/publications/lecnotes.htm>

NSF-CBMS Regional Conference Series:

One volume in this series was published since my last report, Volume 8, *Analysis of Longitudinal and Cluster-Correlated Data*, Nan Laird, Harvard University. More information can be found at <http://www.imstat.org/publications/nsf.htm>

IMS Meetings and Awards.

During FY2004, the IMS granted a total of \$17,800 to support students and new graduates and those in developing countries. \$17,400 was granted to 2004 Laha Travel Award Recipients and \$400 was granted to support a lecturer to visit the Philippines and present the first IMS Visiting Lecturer in Statistics.

MEMBERSHIP DATA

Total membership in the Institute as of December 31, 2004 was up 8.8% from December 31, 2003. Every category of membership was up in 2004. Table 1 [see next page] presents the distribution of memberships by category for the last several years.

Breakdown of Member Categories:

Among the general members for 2004, a total of 31 are Gift members (27 last year),

40 are joint members (40 last year), 225 are retired (234 last year) and 175 are reduced rates (173 last year) and the remaining 2,275 are regular members (2,270 last year). Within the Life membership category, 31 are retired life members and 102 are regular life members.

Geographic Distribution of Members:

Approximately 62% of our members are in the USA and Canada. This is a slight change in our geographical distribution from previous years when two-thirds of our members were in the USA and Canada.

Selection of Journals by Members:

Although membership increased in 2004, subscriptions to most journals by members decreased. This decrease is expected as we offer free electronic access of all journals to members and members shift to electronic subscriptions. Subscriptions to *Annals of Statistics* increased, due to increased numbers of students selecting this journal as their free print subscription. Table 2 presents the print journal selections and electronic access account set up for members in 2004 and the preceding three years.

Revenue from all Institute member dues and journal subscriptions amounted to \$357,657 for the fiscal year ending June 30, 2004, up from \$312,793 in FY2003. This is attributed to increased membership.

NON-MEMBER SUBSCRIPTION DATA

Table 3 presents comparative subscription data for non-members to each of our scientific journals for 2004 and the previous three years. All journals experienced decreases in print subscriptions in 2004, while electronic subscriptions were up. Revenue from all non-member subscriptions was \$655,159 for the fiscal year ending June 30, 2004, up from \$626,278 for the FY2003. Approximately 60% of the non-member subscribers to IMS journals are in USA and Canada, with the remaining subscribers distributed throughout the world.

TABLE 1:
Distribution of Memberships by Category [Calendar Year Data (Jan-Dec)]

	2001	2002	2003	2004	% change
Individual	2820	2758	2744	2746	0.07%
Life	8	51	115	133	15.65%
New Graduate	93	131	122	165	35.25%
Student	395	496	707	971	37.34%
Organizational	94	98	102	107	4.90%
Total	3410	3534	3790	4122	8.76%

TABLE 2:
Distribution of Journal Selections by Members [Calendar Year Data (Jan-Dec)]

	2001	2002	2003	2004	% change
PRINT					
AAP	902	865	844	800	-5.21%
AOP	952	918	910	907	-0.33%
AOS	1992	1949	1917	1987	4.17%
STS	2707	2778	2846	2750	-3.37%
Total Print	6553	6510	6517	6444	-1.12%
ELECTRONIC					
AAP	N/A	363	715	820	14.69%
AOP	N/A	411	693	791	14.14%
AOS	N/A	482	943	1112	17.92%
STS	N/A	295	877	1023	16.65%
Total Electronic	N/A	1551	3228	3746	16.05%

TABLE 3:
Distribution of Journal Selections by Non-Member Subscribers [Calendar Year Data (Jan-Dec)]

	2001	2002	2003	2004	% change
PRINT					
AAP	680	672	716	675	-5.73%
AOP	983	984	1034	1001	-3.19%
AOS	1305	1300	1342	1268	-5.51%
STS	1068	1021	1064	976	-8.27%
BULL	259	257	229	222	-10.89%
Total Print	4295	4234	4385	4142	-5.54%
ELECTRONIC					
AAP	N/A	N/A	363	480	32.23%
AOP	N/A	N/A	520	684	31.54%
AOS	N/A	N/A	593	800	34.91%
STS	N/A	N/A	459	635	38.34%
Total Electronic	N/A	N/A	1935	2599	34.32%

SALES DATA

There were no new volumes in the *NSF-CBMS Regional Conference Series in Probability and Statistics* in FY2004. In FY2004, total revenue from this Series was \$7,599, up from \$6,905 in FY2003. Table 4 shows summary data on sales from the *NSF-CBMS Regional Conference Series*. Three new volumes in the *Lecture Notes - Monograph Series* were published in FY2004. The last row of Table 4 presents summary sales data for Volumes 1-44 of this Series. Total revenue from the Series increased to \$30,540 in FY2004 from \$28,012 in FY2003.

TABLE 4:

Sales from the *NSF-CBMS Regional Conference Series*, and *Lecture Notes – Monograph Series* total sales [Fiscal Year Data (July 1-June 30)]

Vol: Short Title	Published	to 2000	2001	2002	2003	2004	TOTAL
1: <i>Group Invariance</i>	1989	854	11	11	7	19	902
2: <i>Empirical Pro</i>	1990	1,033	34	41	32	64	1,204
3: <i>Stochastic Curve</i>	1991	620	8	19	10	10	667
4: <i>Higher Order</i>	1994	412	17	15	24	26	494
5: <i>Mixture Models</i>	1995	713	108	40	53	76	990
6: <i>Genetic Data</i>	2000	-	306	194	136	75	711
7: <i>Linear Mixed Models</i>	2003	-	-	-	45	124	169
Total CBMS sales (7 volumes)		3,632	484	320	307	394	5,137
Total LNMS sales (44 volumes)		21,964	679	832	910	887	25,214

FINANCIAL OVERVIEW

This is a detailed analysis of the Financial Statement for FY2004, which is presented in this issue of the *IMS Bulletin* [pages 29-31], following this Treasurer’s Report. Comparisons are always with FY2003. The overall picture of the financial status of the Institute is strong and stable. Per the auditor’s report, in FY2004 we experienced a decrease in unrestricted net assets of \$8,154. Although this seems slight, it was intended. The IMS has strong reserves and it has been the goal of the Council to put our revenues back into services to the membership and the community. This was done on such programs as travel grants, free electronic access, pre-print posting of articles, early renewal discounts, and more. The Statement of Activities shows an increase in total revenue and a decrease in total expenses compared with FY2003. Total revenues are lower than expenses showing a net loss.

Revenue

Membership dues and subscription revenues were adjusted, as in the past to pro-rate calendar year revenues to fit with the Institute’s fiscal year reporting. Revenues from membership dues and subscriptions are up from FY2003; this is due to an increase in membership. Revenues from non-member subscribers are up due to increases in subscription rates. The contributions listed in FY2003 and FY2004 represent donations made to the Tweedie Memorial Fund. Sales of back issues are up from FY2003. Page charges are down. Due to the voluntary nature of the contributions, the levels received tend to fluctuate. Revenue from sales of *Lecture Notes – Monograph Series* was up slightly as only three volumes were

released in the fiscal year, as opposed to two in FY2003. Revenue from sales of *NSF-CBMS Series* were slightly up due to sales from volume 7.

Meeting income increased as we handled all funds for one meeting and JSM income for the August 03 meeting in San Francisco was \$37,000. Advertising revenues were down due to decreased advertisements. Offprints, royalty and other category is up slightly as royalties from IMS’s interest in JSTOR increased. Net earnings of joint publication ventures show a profit in FY2004 after a deficit in FY2003. The publications’ (*Current Index to Statistics* and the *Journal of Computational and Graphical Statistics*) management committees have been working to address the issues facing the publications.

The unrealized loss on investments is merely a line item, which shows prepaid interest and is not an actual loss or gain on investments. That amount should be totaled with the Investment Income line item to get a complete understanding of our gain on investments in FY2004. Investment income is down in FY2004 as the lower interest rates across the world affect our investments.

Expenses

The IMS makes a distinction between Program and General Administrative expenses in its audited reports. This is appropriate reporting for a non-profit organization and gives members a better idea of how much is being spent on actual programming (journals, meetings, etc) versus what is spent purely on administration of the Institute. I am happy to report that 95.0% (up from 94.4% last

year) of your dues dollar goes directly into the program functions of the IMS.

Discussion of Note F:

Here you will see the allocation for expenses for Program and General Administrative. Production and Editorial expenses will be discussed below in the “Discussion of Note G.”

The management fee shows the expenses paid to FASEB for their dues, subscriptions and web services and is steady for FY2004. Salaries are up in FY2004 reflecting wage increases and the use of temporary staff as needed. Mailing and shipping at the press is up from FY2003, as postage rates increased and as we switched to a more reliable and timely international carrier whose costs were slightly more.

Meeting expenses are down from FY2003 as a smaller meeting was handled in FY2004 than the previous year. Rent and utilities are up slightly. Contributions to other societies is steady. Postage is down from FY2003, as fewer renewals had to be sent out as people renewed on time due to discounts and agent subscription orders were batched for shipment. Computer equipment and software was down as no new equipment was needed. Professional fees were steady in FY2004. Insurance fees experienced an increase that is appropriate with the industry and our international presence.

Storage fees are up as we currently have more journals in storage. We expect to thin out these over the next year by donating journals and decreasing inventory on hand.

Printing is up as membership increases, more catalogs, notices and ballots must be printed. Supplies are up as needs fluctuate. Telephone is down as more people use email for communication and web submission for dues renewals over telephone and fax.

Membership drives and publicity is up as we conducted a wider membership cam-

paign in FY2004. Office expense includes bank fees and other miscellaneous expenses.

Discussion of Note G:

Production expenses for *Annals of Statistics*, *Annals of Applied Probability* and *Statistical Science* were all up due to increases in pages during FY2004. *Annals of Probability* published one extra issue to address the backlog in FY2004 and expenses are up due to it.

LNMS expense is down due to fewer reprints of volumes needed in FY2004. Electronic operations for all expenses include fees for placement of our hosting of our journals on Project Euclid and metadata generation. Editorial expenses for the *Annals of Applied Probability* and *Annals of Probability* are down as both editors work in highly automated system. The *Annals of Statistics* is up as both editors changed over in FY2004. *Statistical Science* is up due to variations in billing timelines for the editors, but overall this editor is below budget for his term. All editors are within their budgets for the length of their term. The *IMS Bulletin* editor is up due to inflationary increases and slightly higher travel expenses in FY2004. Managing and production editorial expenses are up due to inflation and increased services due to increased total pages. The Web editor expenses are down as fewer services were utilized in FY2004.

Recommendation

This year we recommended an institutional subscription rate increase of 10% for 2005. Dues and journal rates for members remain the same for 2005. Members were given a 20% discount off dues if they renewed by December 31.

The 2004-2005 Council approved these recommendations at the Annual Meeting in July 2004 in Barcelona, Spain.

My term as Treasurer has been an

adventure. I began my term as Treasurer-elect by serving on the selection committee for the current Executive Director, Elyse Gustafson (then Director).

When Elyse moved to Ohio, the officers and Council at that time (2000) had the good sense to close the Hayward office officially and move to a more “global office”.



Currently, the subscription, fulfillment, and membership services reside in Maryland. Web services are in Cleveland and Maryland. Patrick Kelly, Assistant Managing Editor, is in Pennsylvania, and Tati Howell, *IMS Bulletin* Assistant Editor is in England. I would appreciate hearing whether or not these changes have benefited the membership in improved services and prompt responses to questions and concerns.

The staff members of the Institute and FASEB are careful and dedicated. The Executive Director is without parallel. She, with the Executive Committee, with Council approval has kept us growing and expanding member services.

I have enjoyed very much serving with all the IMS officers, Editors, and Council members over the past seven years and hope to serve the Institute in the future.

Julia Norton, Treasurer

Bregante Company LLP

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INSTITUTE OF MATHEMATICAL STATISTICS

STATEMENTS OF FINANCIAL POSITION

June 30, 2004 and 2003

Independent Auditors' Report

The Council
Institute of Mathematical Statistics

We have audited the accompanying statements of financial position of Institute of Mathematical Statistics (the Institute) as of June 30, 2004 and 2003 and the related statements of activities and cash flows for the years 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 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 audits 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 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 Institute of Mathematical Statistics as of June 30, 2004 and 2003, 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.

Bregante + Company LLP

October 19, 2004

	2004	2003
ASSETS		
Cash	\$ 71,627	\$ 113,028
Investments, at market value	2,311,802	2,251,600
Accounts receivable	2,210	595
Interest receivable	8,730	10,239
Prepaid expenses	47,349	62,334
Investments in joint ventures	113,158	92,502
Restricted cash for endowment	32,525	32,110
Deposits	2,175	2,175
Total assets	\$ 2,589,576	\$ 2,564,583

LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ 57,100	\$ 80,784
Unearned memberships, subscription and meeting revenue	592,564	535,733
Total liabilities	649,664	616,517
Net assets:		
Unrestricted:		
Operating	1,636,446	1,672,003
Board designated	270,941	243,650
Total unrestricted	1,907,387	1,915,653
Temporarily restricted	1,386	1,274
Permanently restricted	31,139	31,139
Total net assets	1,939,912	1,948,066
Total liabilities and net assets	\$ 2,589,576	\$ 2,564,583

See accompanying notes and auditors' report.

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INSTITUTE OF MATHEMATICAL STATISTICS

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2004 and 2003

	2004	2003
Changes in unrestricted net assets:		
Revenue and support:		
Membership dues and journal subscriptions	\$ 357,657	\$ 312,793
Non-member subscriptions	655,159	626,278
Contributions	11,056	2,500
Sales of back issues	8,789	5,418
Page charges	19,500	23,249
Sales of <i>Lecture Notes - Monograph Series</i>	30,540	28,012
Sales of <i>NSF-CBMS Series</i>	7,599	6,905
Meetings	84,443	41,621
Advertising	27,197	29,977
Offprints, royalties and other	48,458	44,433
Net profit (deficit) of joint venture publications	20,656	(9,746)
Unrealized gain on investments	8,200	3,000
Investment income	34,039	57,613
Total unrestricted revenue and support	1,313,293	1,172,053
Expenses:		
Program	1,255,052	1,106,307
General and administrative	66,507	65,359
Total expenses	1,321,559	1,171,666
Increase (decrease) in unrestricted net assets	(8,266)	387
Changes in temporarily restricted net assets:		
Investment income	112	497
Increase in temporarily restricted net assets	112	497
Increase (decrease) in net assets	(8,154)	884
Net assets, beginning of year	1,948,066	1,947,182
Net assets, end of year	\$ 1,939,912	\$ 1,948,066

See accompanying notes and auditors' report.

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INSTITUTE OF MATHEMATICAL STATISTICS

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Changes in net assets	\$ (8,154)	\$ 884
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Net (profit) deficit in investments in joint ventures	(20,656)	9,746
Unrealized gain on investments	(8,200)	(3,000)
(Increase) decrease in assets:		
Accounts receivable	(1,615)	(17)
Interest receivable	1,509	14,817
Prepaid expenses and deposits	14,985	(36,150)
Restricted cash for endowment	(415)	(666)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(23,684)	(39,978)
Unearned memberships, subscription and meeting revenue	56,831	47,423
Total adjustments	18,755	(7,825)
Net cash provided (used) by operating activities	10,601	(6,941)
Cash flows from investing activities:		
Net change in investments	(52,002)	44,091
Net cash provided (used) by investing activities	(52,002)	44,091
Net increase (decrease) in cash	(41,401)	37,150
Cash, beginning of year	113,028	75,878
Cash, end of year	\$ 71,627	\$ 113,028

See accompanying notes and auditors' report.

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NOTE A -- Summary of significant accounting policies

Organization

The Institute of Mathematical Statistics (the Institute) is an international professional 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 of the Institute are The Annals of Applied Probability, 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. Jointly with other organizations, the Institute publishes the Journal of Computational and Graphical Statistics, the NSF-CBMS Regional Conference Series in Probability and Statistics, Current Index to Statistics, other Indexes and collected works of well-known statisticians and probabilists.

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

Basis of accounting

The Institute maintains its accounting records and prepares its financial statements on the accrual basis. Accordingly, revenue and the related assets are recognized when earned rather than when received, and expenses are recorded when the obligation is incurred rather than when paid.

Financial statement presentation

The Institute reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets, as required by the Statement of Financial Accounting Standards (SFAS) No. 117.

Unrestricted net assets - designated

The Council of the Institute has designated that a portion of unrestricted net assets be used for specific purposes in future periods.

See auditors' report.

NOTE A -- Summary of significant accounting policies (continued)

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.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Shipping and handling costs

Shipping and handling costs are recorded as incurred. The expenses were included in the functional expenses in Note F.

NOTE B -- Concentration of credit risk

The Institute maintains cash balances at three financial institutions. The balances at times may exceed federally insured limits. The Institute has not experienced any losses in these accounts and believes they are not exposed to any significant credit risk.

See auditors' report.

NOTE A -- Summary of significant accounting policies (continued)

Permanently restricted net assets

Permanently restricted net assets consist of cash gifts restricted by donors to establish a fund honoring the memory of Professor Le Cam.

Temporarily restricted net assets

Temporarily restricted net assets consist of the earnings from the Le Cam endowment fund. The earnings from the endowment fund will be used to present a Le Cam Lecture every three years. The earnings were \$112 and \$497 for the years ended June 30, 2004 and 2003, respectively.

Investments in joint ventures

Investments in joint ventures are stated at cost plus the equity in the undistributed earnings of the joint ventures since the dates of acquisition.

Unearned memberships, subscription and meeting revenue

The Institute receives payments in advance of the period in which they are earned. These amounts are shown as unearned memberships, subscription and meeting revenue in the Statements of Financial Position.

Contributions

The Institute does not request or receive pledges. The Institute records contributions upon receipt.

Income taxes

The Institute is a qualified organization exempt from federal income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code.

Functional allocation of expenses

The costs of providing the program services of the Institute are summarized in the Statements of Activities and are shown in detail in Note F. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated between the program services and the general and administrative.

See auditors' report.

NOTE C -- Investments

The Institute maintains accounts with Merrill Lynch. Investments include mutual funds carried at their fair market value and certificate of deposits at various institutions maturing at various dates. The investments are immediately convertible to cash with maturities ranging from one month to less than two years. Investments at June 30, 2004 and 2003 were as follows:

	2004	2003
Mutual funds (cost \$200,000)	\$ 177,800	\$ 169,600
Certificates of deposit at various institutions	<u>2,134,002</u>	<u>2,082,000</u>
Total	<u>\$ 2,311,802</u>	<u>\$ 2,251,600</u>

NOTE D -- Joint venture investments

The Institute and the American Statistical Association (ASA) are involved in a joint venture for the production and sale of the Current Index to Statistics (CIS). The Institute and ASA each hold a 50% interest in this joint venture.

The Institute, ASA and Interface Foundation of North America (IFNA) participate in a joint venture for periodic publication of the Journal of Computational and Graphical Statistics. The Institute's participation in profits and ownership of this venture is 40%.

The Institute's equity was \$76,285 and \$56,329 for Current Index to Statistics (the CIS venture) and \$36,873 and \$36,173 for Journal of Computational and Graphical Statistics (the IFNA venture) at June 30, 2004 and 2003, respectively.

The following is a summary of the financial position and results of operations of the joint ventures for the years ended June 30:

See auditors' report.

INSTITUTE OF MATHEMATICAL STATISTICS
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2004 and 2003

NOTE D -- Joint venture investments (continued)

	Current Index To Statistics		Journal of Computational and Graphical Statistics	
	2004	2003	2004	2003
Current assets	\$ 220,278	\$ 162,815	\$ 148,726	\$ 150,006
Total assets	\$ 220,278	\$ 162,815	\$ 148,726	\$ 150,006
Current liabilities	\$ 67,709	\$ 50,158	\$ 56,543	\$ 59,575
Undistributed co-sponsors' equity	152,569	112,657	92,183	90,431
Total liabilities and co- sponsors' equity	\$ 220,278	\$ 162,815	\$ 148,726	\$ 150,006
Revenue	\$ 112,959	\$ 69,177	\$ 99,750	\$ 91,982
Net income (loss)	\$ 39,912	\$ (22,165)	\$ 1,752	\$ 3,343

NOTE E -- 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 \$7,700 and \$7,575 for the years ended June 30, 2004 and 2003, respectively.

See auditors' report.

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INSTITUTE OF MATHEMATICAL STATISTICS
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2004 and 2003

NOTE F -- Functional expenses

Program and general and administrative expenses for the year ended June 30, 2004 were as follows:

	General and		Total
	Program	Administrative	
Production expenses (see Note G)	\$ 511,785	\$ -	\$ 511,785
Editorial expenses (see Note G)	208,341	-	208,341
Management fee	131,885	-	131,885
Salaries, payroll taxes and employee benefits	68,762	29,470	98,232
Mailing and shipping at press	109,659	-	109,659
Meetings	119,844	-	119,844
Rent and utilities	2,425	1,039	3,464
Contributions to other organizations	6,362	-	6,362
Postage and shipping from office	20,927	8,969	29,896
Computer equipment and software	3,354	1,438	4,792
Professional fees	-	17,010	17,010
Insurance	15,246	6,534	21,780
Storage	11,684	-	11,684
Printing	13,633	-	13,633
Credit card fees and refunds	12,099	-	12,099
Supplies	2,176	933	3,109
Telephone	969	415	1,384
Membership drives and publicity	14,272	-	14,272
Office expense	1,629	699	2,328
Repairs and maintenance	-	-	-
	\$ 1,255,052	\$ 66,507	\$ 1,321,559

See auditors' report.

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INSTITUTE OF MATHEMATICAL STATISTICS
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2004 and 2003

NOTE F -- Functional expenses (continued)

Program and general and administrative expenses for the year ended June 30, 2003 were as follows:

	General and		Total
	Program	Administrative	
Production expenses (see Note G)	\$ 410,790	\$ -	\$ 410,790
Editorial expenses (see Note G)	208,852	-	208,852
Management fee	131,776	-	131,776
Salaries, payroll taxes and employee benefits	71,711	30,733	102,444
Mailing and shipping at press	102,280	-	102,280
Meetings	98,182	-	98,182
Rent and utilities	2,106	902	3,008
Contributions to other organizations	6,163	-	6,163
Postage and shipping from office	19,198	8,228	27,426
Computer equipment and software	1,414	606	2,020
Professional fees	-	17,920	17,920
Insurance	11,918	5,108	17,026
Storage	10,093	-	10,093
Printing	10,370	-	10,370
Credit card fees and refunds	11,218	-	11,218
Supplies	1,470	631	2,101
Telephone	1,492	640	2,132
Membership drives and publicity	5,896	-	5,896
Office expense	1,378	591	1,969
Repairs and maintenance	-	-	-
	\$ 1,106,307	\$ 65,359	\$ 1,171,666

See auditors' report.

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INSTITUTE OF MATHEMATICAL STATISTICS
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2004 and 2003

NOTE G -- Production and editorial expenses

Production and editorial expenses incurred were as follows:

	2004	2003
	Production expenses:	
The Annals of Statistics	\$ 129,058	\$ 110,929
The Annals of Probability	145,981	103,670
The Annals of Applied Probability	90,979	83,410
Statistical Science	59,058	56,622
NSF - CBMS Series	-	5,225
IJMS Bulletin	36,636	25,782
Lecture Notes - Monograph Series	20,002	25,152
Electronic operations for all publications	30,071	-
Total production expenses	\$ 511,785	\$ 410,790
Editorial expenses:		
The Annals of Statistics	\$ 61,660	\$ 39,705
The Annals of Probability	6,284	10,176
The Annals of Applied Probability	7,315	19,964
Statistical Science	11,748	3,658
IJMS Bulletin	32,595	29,043
Managing and production editors	76,763	73,594
WWW editor	11,976	32,712
Total editorial expenses	\$ 208,341	\$ 208,852

See auditors' report.

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Report of the Treasurer Supplemental 2005 Jiayang Sun

MEMBERSHIP AND SUBSCRIPTION DATA

Table 1 shows the census data for 2005 memberships and subscriptions through 6/30/2005. Chart 1 and 2 show data for members in line and pie format. Chart 3 shows trends for non-member (institutional) subscriptions.

Membership continues to show upward movement. Although, the year is only half over, we can infer that membership will increase again in 2005. Subscription to print journals is decreasing as more members opt to use the gratis electronic access. This development saves the IMS funds since journals are priced at lower than cost rates for members.

Non-member (institutional) subscriptions are showing a decrease as libraries are consolidating print collections. Libraries at large universities are moving towards keeping one print copy on campus while utilizing electronic access for the remaining campus libraries.

Not surprisingly, electronic subscriptions for members and institutions continue to rise.

Chart 1. Individual Membership Trends

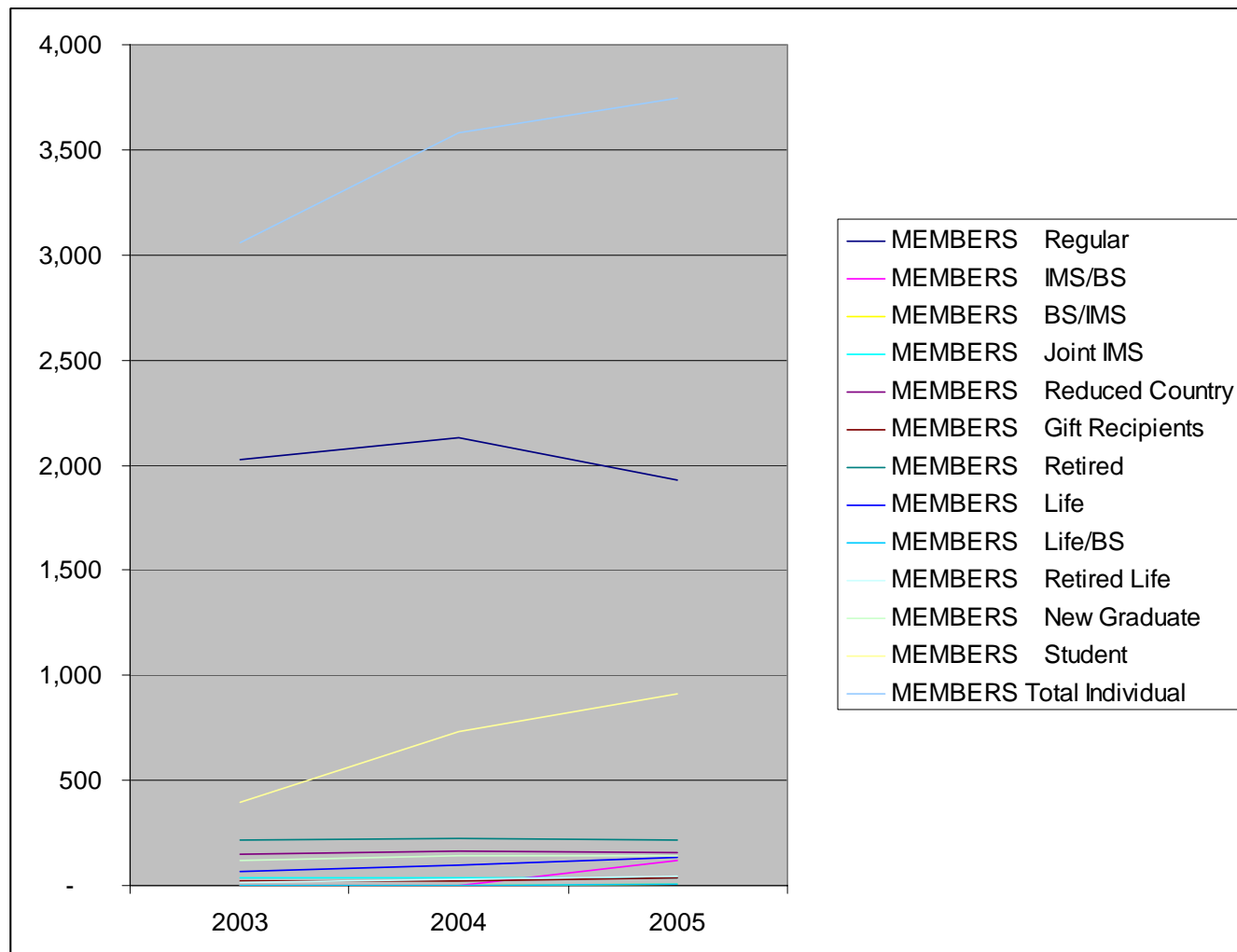


Table 1. 2005 Member and Non-Member Data (6/30/2005)

MEMBERS		6/30/2003	6/30/2004	6/30/2005
Regular		2,028	2,130	1,928
IMS/BS		na	na	123
BS/IMS		na	na	7
Joint IMS		36	41	39
Reduced Country		152	162	154
Gift Recipients		22	25	38
Retired		218	222	214
Life		69	97	134
Life/BS		na	na	5
Retired Life		18	31	46
New Graduate		118	145	145
Student		395	731	910
Total Individual		3,056	3,584	3,743
Corporate		-	1	-
Institutional		92	100	91
Total		3,148	3,685	3,834
PRINT SUBSCRIPTIONS				
Members				
AAP		757	807	768
AOP		817	858	798
AOS		1,698	1,828	1,769
STS		2,412	2,567	2,455
Total Member Print		5,684	6,060	5,790
Non-Member & Institutions				
AAP		665	658	645
AOP		961	975	946
AOS		1,240	1,233	1,204
STS		974	943	912
Bull		231	210	199
Total Non-Mem Print		4,071	4,019	3,906
Total Print Subs				
AAP		1,383	1,465	1,413
AOP		1,725	1,833	1,744
AOS		2,864	3,061	2,973
STS		3,294	3,510	3,367
Bull		3,331	3,996	4,124
Total Print Subs		12,597	13,865	13,621
ELECTRONIC SUBSCRIPTIONS				
Members				
AAP		415	686	827
AOP		453	711	852
AOS		541	941	1,166
STS		330	877	1,076
Total Member Electronic		1,739	3,215	3,921
Non-Member Institutions				
AAP		na	486	496
AOP		na	694	700
AOS		na	816	817
STS		na	633	643
Total Inst Electronic		na	2,629	2,656

Chart 2. Membership distribution.

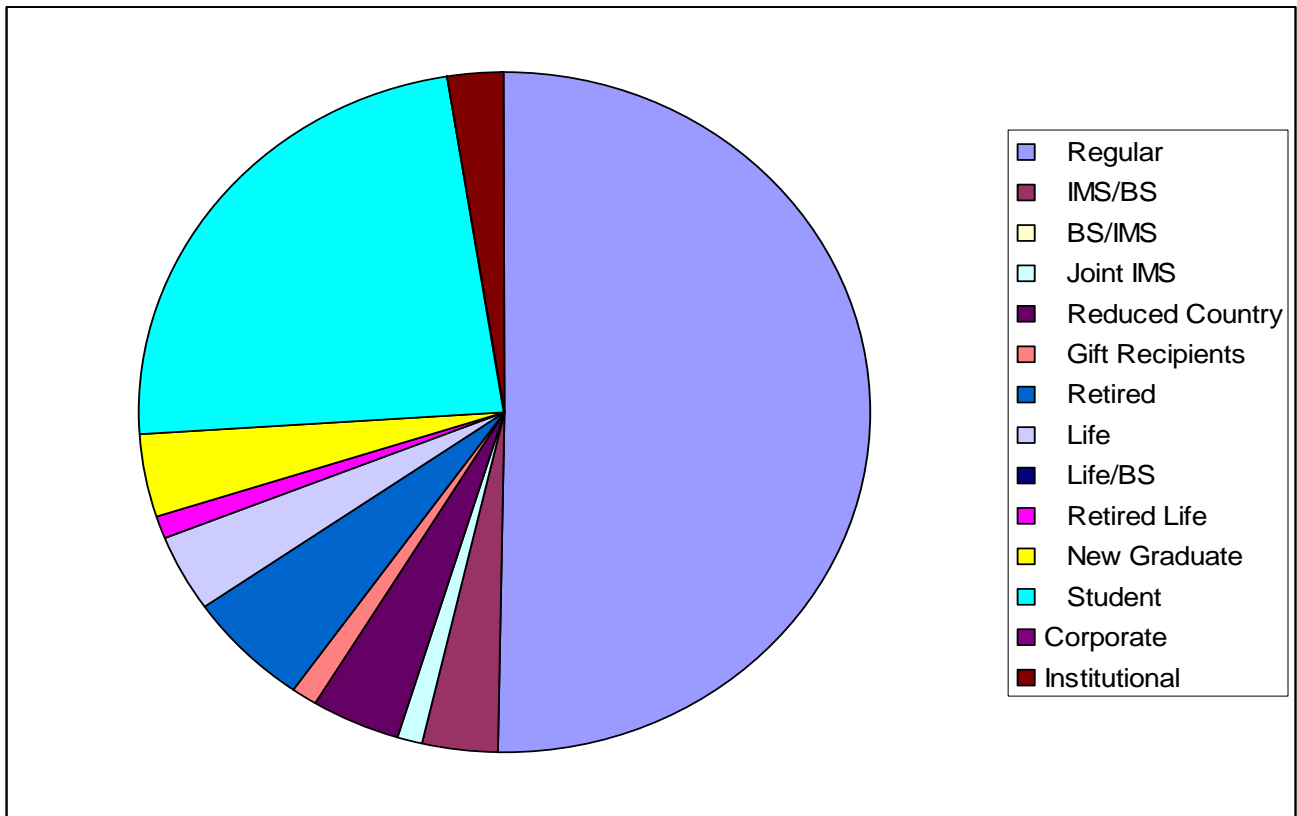
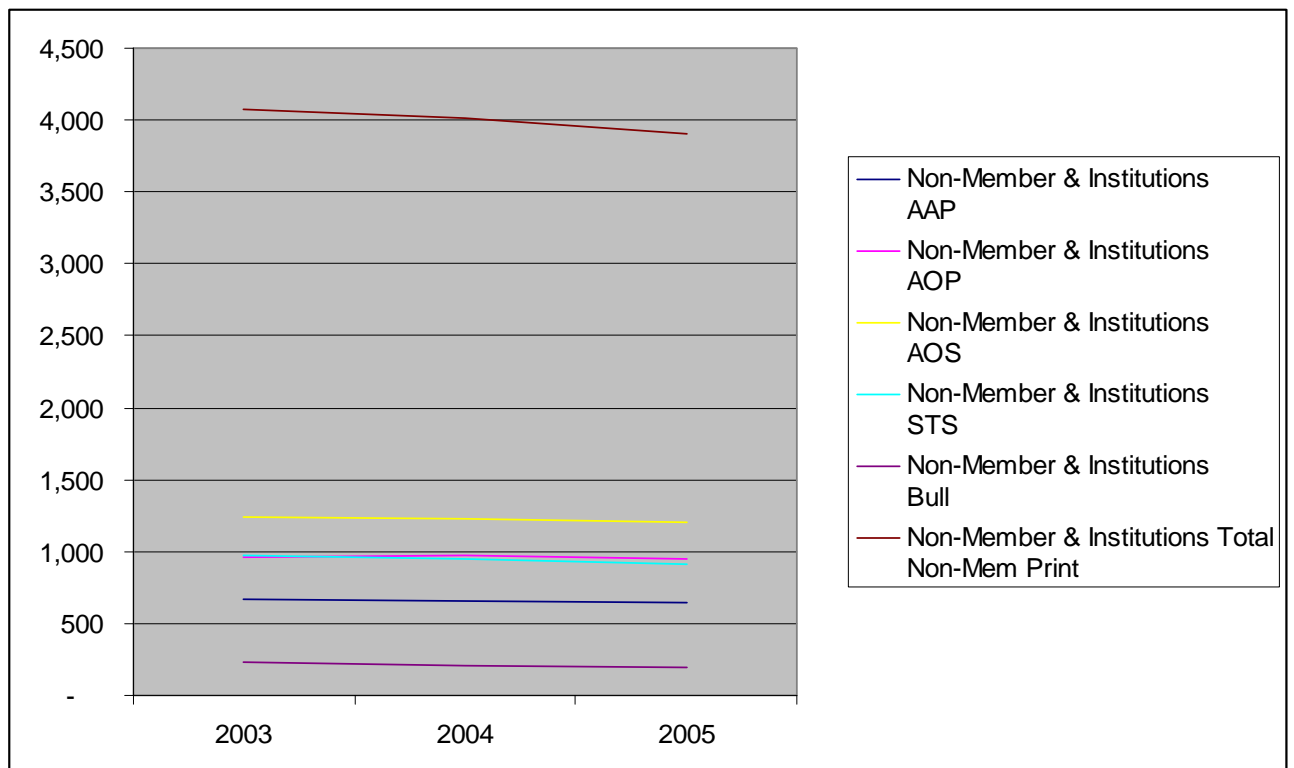


Chart 3. Non-Member (Institutions) Subscriptions Trends



FINANCIALS

The IMS is taking actions to increase income and decrease expenses. The investment committee (see report) has met to put into place a long term plan for investments. The Council will be voting on this plan and we can expect to see greater investment income in the future. We continue to adjust institutional rates to accommodate the consolidation of subscriptions by universities. Because membership continues to increase, we are gaining income in this area.

On the expense side, we have institute the central editorial office to help decrease editorial expenses. There will be one editorial office serving 5 journals (AAP, AOP, AOS, STS and PS). Most actions are automated electronically. The system is being put into place over the next 2 years. We expect to save a minimum of \$50K once all journals are on the system.

We have ceased providing gratis offprints and instead provide authors with a gratis pdf file that has unlimited usage. This will save the IMS approximately, \$20K annually. Increased use of JSTOR and Euclid has allowed us to decrease the number of back issues we maintain in storage. Estimate savings from this action is \$5K annually.

Expect to see a full Treasurer's report in the March 2006 IMS Bulletin. The report will include final 2005 membership and subscription data as well as the FY05 audit and financial reports.

Program Secretary's Annual Report for 2004-2005

Minimeetings 2005

There are no minimeetings scheduled for 2005. (The IMS sponsored three minimeetings in 2004.) Though the Executive has received a number of applications, each was rejected on the grounds that the proposed meeting did not satisfy one or more of the defining criteria of a minimeeting: a minimeeting should be at most two days in duration, it should be small and informal (a workshop rather than a conference), and it should consist primarily of researchers from a fixed locale, with few outside speakers.

Co-Sponsored Meetings 2005

Adap'ski, satellite meeting to MCMC'ski

Bormio, Italy, January 9-11, 2005
IMS Chair: Christian Robert

Sixth International Conference on Forensic Statistics

The Center for Law, Science, and Technology, College of Law, Arizona State University, Tempe, AZ, March 17-19, 2005
IMS Chair: Stephen Fienberg

2005 Seminar on Stochastic Processes

Cornell University, Ithaca, NY, March 24-26, 2005
IMS Chair: Greg Lawler

Twelfth Annual Spring Research Conference (SRC) on Statistics in Industry and Technology

Park City, Utah, June 1-3, 2005
IMS Chair: Shane Reese

The Fifth International Workshop on Objective Bayesian Methodology

Branson, Missouri, June 4-8, 2005
IMS Chair: Dongchu Sun

International Conference on Statistics in Honour of Professor Kai-Tai Fang's 65th Birthday (Fang65)

Hong Kong, June 20-24, 2005
IMS Chair: Jianqing Fan

2005 Conference on Stochastic Processes and their Applications

UC Santa Barbara, Santa Barbara, California, June 26-July 1, 2005
IMS Chair: Raya Feldman

Workshop on Stochastic Models in System and Molecular Biology

UC Santa Barbara, Santa Barbara, California, June 26, 2005
IMS Chair: Guillaume Bonnet

13th INFORMS Applied Probability Conference

Ottawa, Canada, July 6-8, 2005

IMS Chair: Paul Glasserman

First Cornell Summer School in Probability

Cornell University, Ithaca, NY, July 10-23, 2005

IMS Chair: Greg Lawler

New Directions in Probability Theory 2005

IMA, University of Minnesota, Minneapolis, MN, August 5-6, 2005

IMS Chair: Maury Bramson

Nonparametric Models for Complex Biological Data

UC Davis, Davis, California, August 15-17, 2005

IMS Chairs: Jianqing Fan, Hans-George Mueller and Chunming Zhang

A Conference on Nonparametric Inference and Probability with Applications to Science

University of Michigan, Ann Arbor, Michigan, September 24-25, 2005

IMS Chair: Jiayang Sun

Workshop on Stochastic Methods in Game Theory Centro Majorana, Erice, Italy,

September 24-October 2, 2005

IMS Chair: Marco Scarsini

2005 Sponsored Meetings

Second Joint IMS/ISBA International Conference (MCMSki)

Bormio, Italy, January 12-14, 2005

IMS Chair: Brad Carlin

2005 ENAR/IMS Spring Meeting

Hilton Austin, Austin, Texas, March 20-23, 2005

IMS Chair: Runze Li

Joint annual meeting of the WNAR/ IBS/IMS

Fairbanks, Alaska, June 21-24, 2005

IMS Chair: Thomas Lee

Joint meeting of the Chinese Society of Probability and Statistics (CSPS) and the IMS

Beijing, China, July 9-12, 2005

IMS Chair: Bin Yu

Eighth North American New Researchers Conference

University of Minnesota, Minneapolis, MN, August 2-6, 2005

IMS Chair: Galin Jones

IMS Annual Meeting/Joint Statistical Meetings

Minneapolis, Minnesota, August 7-11, 2005

IMS Program Chair: David Madigan

IMS Contributed Papers Chair: David Higdon

IMS Local Chair: Peihua Qiu