Institute of Mathematical Statistics

Financial Statements
December 31, 2017

Institute of Mathematical Statistics

Financial Statements

December 31, 2017

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Independent Auditor's Report

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Report on the Financial Statements

We have audited the accompanying financial statements of the Institute of Mathematical Statistics (the "Institute," a nonprofit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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The Council
Institute of Mathematical Statistics

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 December 31, 2017, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Institute's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 8, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ciuni & Panichi, Inc.

Cleveland, Ohio
September 10, 2018

Institute of Mathematical Statistics

Statement of Financial Position

December 31, 2017 (with comparative totals for 2016)

Assets

	2017	2016
Cash and cash equivalents	$ 442,447	$ 260,329
Cash held for others	18,567	17,994
Accounts receivable, net	207,033	182,602
Interest receivable	3,724	1,679
Investments	6,937,737	5,906,714
Investments held for others	231,100	200,000
Prepaid expenses	93,974	79,133
Certificates of deposit	1,343,496	1,144,469
Investments restricted for endowment	78,300	78,050
Total assets	$ 9,356,378	$ 7,870,970

Liabilities and Net Assets

	2017	2016
Liabilities:		
Accounts payable and accrued expenses	$ 118,127	$ 66,745
Fiscal agent liability	249,667	217,994
Unearned memberships, subscriptions, and meeting revenues	1,461,438	1,365,463
Total liabilities	1,829,232	1,650,202
Net assets:		
Unrestricted:		
Undesignated	5,265,822	4,017,742
Council-designated	2,115,152	2,059,747
Total unrestricted	7,380,974	6,077,489
Temporarily restricted	67,872	65,229
Permanently restricted	78,300	78,050
Total net assets	7,527,146	6,220,768
Total liabilities and net assets	$ 9,356,378	$ 7,870,970

The accompanying notes are an integral part of these financial statements

Institute of Mathematical Statistics

Statement of Activities

For the year ended December 31, 2017 (with comparative totals for 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017	Total 2016
Revenues, gains, and support:					
Membership dues and journal subscriptions	$ 219,372	$ -	$ -	$ 219,372	$ 255,765
Non-member subscriptions	1,721,073	-	-	1,721,073	1,765,986
Sales of back issues	1,612	-	-	1,612	1,796
Publication charges	52,145	-	-	52,145	42,235
Sales of books	16,595	-	-	16,595	2,852
Scientific meetings	12,200	-	-	12,200	32,386
Managed meetings	39,459	-	-	39,459	26,921
Advertising	45,944	-	-	45,944	35,910
Offprints, royalties, and other	102,368	-	-	102,368	103,110
Contributions	1,241	1,123	250	2,614	57,951
Total revenues, gains, and support	2,212,009	1,123	250	2,213,382	2,324,912
Net assets released from restrictions	1,876	(1,876)	-	-	-
	2,213,885	(753)	250	2,213,382	2,324,912
Expenses and losses:					
Program	1,775,834	-	-	1,775,834	1,723,053
General and administrative	176,134	-	-	176,134	181,377
Uncollectible promises to give	-	-	-	-	5,000
Total expenses and losses	1,951,968	-	-	1,951,968	1,909,430
Changes in operating net assets	261,917	(753)	250	261,414	415,482
Non-operating revenues:					
Net realized and unrealized gains	887,528	-	-	887,528	284,697
Interest and dividends	154,040	3,396	-	157,436	130,924
Total non-operating revenues	1,041,568	3,396	-	1,044,964	415,621
Changes in net assets	1,303,485	2,643	250	1,306,378	831,103
Net assets, beginning of year	6,077,489	65,229	78,050	6,220,768	5,389,665
Net assets, end of year	$ 7,380,974	$ 67,872	$ 78,300	$ 7,527,146	$ 6,220,768

The accompanying notes are an integral part of these financial statements

Institute of Mathematical Statistics

Statement of Cash Flows

For the year ended December 31, 2017 (with comparative totals for 2016)

	2017	2016
Cash flows from operating activities:		
Changes in net assets	$ 1,306,378	$ 831,103
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Uncollectible promises to give	-	5,000
Net realized and unrealized gains	(887,528)	(284,697)
Contributions restricted for long-term purposes	(250)	(380)
Changes in operating assets and liabilities:		
Accounts receivable	(24,431)	801
Interest receivable	(2,045)	943
Prepaid expenses	(14,841)	431
Promise to give receivable	-	2,000
Accounts payable and accrued expenses	51,382	(1,488)
Unearned memberships, subscriptions, and meeting revenues	95,975	(50,652)
Net cash provided by operating activities	524,640	503,061
Cash flows from investing activities:		
Purchases of investments	(142,772)	(799,676)
Purchases of certificates of deposit	(1,345,000)	(1,145,000)
Proceeds at maturity of certificates of deposit	1,145,000	1,350,000
Net cash used by investing activities	(342,772)	(594,676)
Cash flows from financing activities:		
Proceeds from contributions restricted for long-term purposes	250	380
Net cash provided by financing activities	250	380
Increase (decrease) in cash and cash equivalents	182,118	(91,235)
Cash and cash equivalents, beginning of year	260,329	351,564
Cash and cash equivalents, end of year	$ 442,447	$ 260,329

The accompanying notes are an integral part of these financial statements

Institute of Mathematical Statistics

Notes to the Financial Statements

December 31, 2017

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 scholarly publications, organization of scientific meetings, presentation of awards, 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. 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, Bayesian Analysis, Bernoulli, Bernoulli News, and Brazilian Journal of Probability and Statistics.

The Institute is an international organization of approximately 3,500 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.

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 (GAAP) 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 debt instruments with initial maturities of three months or less to be cash equivalents.

Cash Held for Others, Investments Held for Others, and Fiscal Agent Liability

The Institute operates as fiscal agent for a related entity. Cash held for others and investments held for others represent the funds of the related entity that are held within the Institute's accounts. Accordingly, these amounts are recorded as both an asset and liability of the Institute.

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.

Note 2: Summary of Significant Accounting Policies (continued)

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. An additional factor management uses when estimating an allowance for the aggregate remaining receivables is historical collectability. Management estimates the allowance for doubtful accounts at December 31, 2017 as $2,270.

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.

The Institute uses the allowance method to record their estimate of uncollectible promises to give receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management estimates no allowance for doubtful accounts was required at December 31, 2017.

Note 2: Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

Financial instruments which potentially subject the Institute to concentrations of credit risk consist of cash and cash equivalents, accounts receivable, 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 December 31, 2017, the Institute's cash in bank balances exceeded federally insured limits.

At December 31, 2017, 76% of the Institute's gross accounts receivable is due from two sources.

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.

Shipping and Handling Costs

Shipping and handling costs are recorded as incurred. These expenses are included within "Postage and shipping from office" in the functional expenses presented 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 December 31, 2017 and 2016, 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 Institute 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.

Note 2: Summary of Significant Accounting Policies (continued)

Advertising

Advertising costs are expensed as incurred. Advertising expense amounted to $3,039 and $3,204 for the years ended December 31, 2017 and 2016, respectively.

Recent Accounting Pronouncements

The FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities and Health Care Entities – Presentation of Financial Statements of Not-for-Profit Entities*. This ASU changes the current reporting requirements for nonprofit organizations and their required disclosures. The changes include: (a) requiring the presentation of only two classes of net assets, entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation and disclosures of underwater endowment funds, (c) requiring the use of the placed in service approach to recognize the releases from restriction for gifts utilized to acquire or construct long-lived assets, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes to the financial statements and to summarize the allocation methodologies utilized to allocate the costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity, and (g) modifying other financial statement reporting requirements and disclosures to enhance the usefulness of nonprofit financial statements. This ASU is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date of adoption by the Institute until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which clarifies the presentation of restricted cash as included in the cash balances in the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption of this ASU is permitted. Management is currently evaluating the impact of this ASU on its financial statements.

Note 2: Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through September 10, 2018, 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) are to be invested as follows:

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

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.

At December 31, 2017, investments are reported at fair value and consisted of the following:

	2017
Mutual funds – equities	$ 5,304,542
Mutual funds – fixed-income	1,942,595
Total investments	$ 7,247,137

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 or liability and are based on the best available information, which has been internally developed.

Note 4: Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at December 31, 2017.

Certificates of deposit: Valued at cost, plus any accrued and unpaid interest, which approximates fair value.

Mutual funds – Investments in mutual funds are classified within Level 1 of the fair value hierarchy because they are valued using unadjusted quoted market prices for identical assets in active markets that the Institute has the ability to access.

Financial assets consisted of the following at December 31, 2017:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 1,343,496	$ -	$ 1,343,496
Investments ($78,300 included in investments restricted for endowment):				
Mutual funds – international equity	1,667,616	-	-	1,667,616
Mutual funds – domestic equity	3,636,926	-	-	3,636,926
Mutual funds – fixed-income	1,942,595	-	-	1,942,595
	$ 7,247,137	$ 1,343,496	$ -	$ 8,590,633

The Institute maintains accounts 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 initial maturities ranging from approximately six months to twenty-four months.

Note 5: Unearned Memberships, Subscriptions, and Meeting Revenues

Unearned memberships, subscriptions, and meeting revenues consist of the following at December 31, 2017 and 2016:

	2017	2016
Member dues and subscription fees	$ 148,977	$ 151,838
Non-member subscription fees	1,164,035	1,055,674
Lifetime and lifetime retired membership dues and subscription fees	148,426	157,951
Total unearned memberships, subscriptions, and meeting revenues	$ 1,461,438	$ 1,365,463

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 for 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 December 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ -	$ 18,589	$ 78,300	$ 96,889

Changes in endowment net assets for the year ended December 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, December 31, 2016	$ -	$ 15,893	$ 78,050	$ 93,943
Investment return		2,696	-	2,696
Contributions to perpetual endowment	-	-	250	250
Endowment net assets, December 31, 2017	$ -	$ 18,589	$ 78,300	$ 96,889

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

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for the endowment funds that attempt to grow at a rate at least equal to the rate of inflation over time, net of annual payouts. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity. Currently, the endowment assets are invested in mutual funds.

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, dividends, realized/unrealized gains). The Institute targets low-cost, indexed investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

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.

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 $12,877 and $12,116 for the years ended December 31, 2017 and 2016, respectively.

Note 8: Functional Expenses

Program and general and administrative expenses for the year ended December 31, 2017 were as follows:

	Program	General and Administrative	Total
Production expenses (see Note 9)	$ 1,072,496	$ -	$ 1,072,496
Editorial expenses (see Note 9)	278,133	-	278,133
Mailing and shipping at press	70,574	-	70,574
Salaries, payroll taxes, and employee benefits	82,283	82,282	164,565
Management fee	60,189	60,188	120,377
Scientific meetings	76,423	-	76,423
Supported journal royalty	65,703	-	65,703
Postage and shipping from office	10,421	4,466	14,887
Insurance	13,971	5,988	19,959
Credit card fees	16,487	-	16,487
Professional fees	-	17,161	17,161
Business meetings	661	-	661
Membership drives and publicity	3,039	-	3,039
Information technology service	5,504	-	5,504
Storage	3,293	-	3,293
Contributions to other organizations	6,078	-	6,078
Rent and utilities	1,733	1,732	3,465
Administrative services	-	2,022	2,022
Printing, non-journal	3,668	-	3,668
Computer equipment and software	2,146	920	3,066
Supplies	693	693	1,386
Office expense and other	1,170	502	1,672
Telephone	419	180	599
Scientific legacy	750	-	750
	$ 1,775,834	$ 176,134	$ 1,951,968

Institute of Mathematical Statistics

Notes to the Financial Statements

December 31, 2017

Note 8: Functional Expenses (continued)

Program and general and administrative expenses for the year ended December 31, 2016 were as follows:

	Program	General and Administrative	Total
Production expenses (see Note 9)	$ 1,009,572	$ -	$ 1,009,572
Editorial expenses (see Note 9)	283,745	-	283,745
Mailing and shipping at press	73,162	-	73,162
Salaries, payroll taxes, and employee benefits	77,849	77,849	155,698
Management fee	57,864	57,864	115,728
IMS groups	3,000	-	3,000
Scientific meetings	87,573	-	87,573
Supported journal royalty	61,277	-	61,277
Postage and shipping from office	10,376	4,447	14,823
Insurance	14,000	6,000	20,000
Credit card fees	14,061	-	14,061
Professional fees	-	28,376	28,376
Business meetings	1,242	-	1,242
Membership drives and publicity	3,204	-	3,204
Information technology service	6,749	-	6,749
Storage	2,502	-	2,502
Contributions to other organizations	6,352	-	6,352
Rent and utilities	1,733	1,732	3,465
Administrative services	-	2,366	2,366
Printing, non-journal	2,355	-	2,355
Computer equipment and software	2,847	1,220	4,067
Supplies	537	536	1,073
Office expense and other	1,871	802	2,673
Telephone	432	185	617
Scientific legacy	750	-	750
	$ 1,723,053	$ 181,377	$ 1,904,430

Institute of Mathematical Statistics

Notes to the Financial Statements

December 31, 2017

Note 9: Production and Editorial Expenses

Production and editorial expenses incurred were as follows:

	2017	2016
Production expenses:		
Core publications:		
The Annals of Applied Probability	$ 170,911	$ 165,544
The Annals of Applied Statistics	94,742	100,109
The Annals of Probability	220,299	189,676
The Annals of Statistics	157,039	154,228
Statistical Science	55,323	51,785
IMS Bulletin	26,458	28,137
Web page	12,284	13,163
Total core publications	737,056	702,642
Supported publications:		
Annales de l'Institut Henri Poincaré	76,167	67,708
ALEA	816	1,500
Bernoulli	127,348	92,541
Bernoulli News	2,742	2,786
Brazilian Journal of Probability and Statistics	25,912	22,688
Stochastic Systems	-	489
Total supported publications	232,985	187,712
Co-sponsored publications:		
Probability Surveys	2,477	2,527
Statistics Surveys	3,662	3,955
Current Index to Statistics	1,950	18,850
Electronic Journal of Probability/ Electronic Communications in Probability	10,867	9,247
Electronic Journal of Statistics	13,967	10,617
Total co-sponsored publications	32,923	45,196
General publication expenses:		
Electronic operations for all publications	69,532	74,022
Total general publication expenses	69,532	74,022
Total production expenses	$ 1,072,496	$ 1,009,572

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Notes to the Financial Statements

December 31, 2017

Note 9: Production and Editorial Expenses (continued)

		2017		2016
Editorial expenses:				
Current Index to Statistics	$	9,837	$	11,638
IMS Bulletin		62,260		74,989
WWW editor		68,396		63,005
Managing and production editors		110,640		108,613
Central editorial office		27,000		25,500
Total editorial expenses	$	278,133	$	283,745

Note 10: Net Assets

The following are net assets at December 31:

		2017		2016
Unrestricted:				
Undesignated	$	5,265,822	$	4,017,742
Council-designated:				
Operating Reserves Fund		2,000,000		2,000,000
New Researchers Meeting Fund		33,314		32,442
Development Fund		25,000		25,000
Scientific Legacy Fund		1,587		2,305
Hannan Fund		55,251		-
Total Council-designated		2,115,152		2,059,747
Total unrestricted		7,380,974		6,077,489
Temporarily restricted:				
Schramm Lecture Fund		28,179		29,189
Tweedie Memorial Fund		15,044		14,318
Open Access Fund		6,060		5,829
Le Cam Earnings Fund		12,114		10,848
Blackwell Earnings Fund		6,475		5,045
Total temporarily restricted		67,872		65,229

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Note 10: Net Assets (continued)

	2017	2016
Permanently restricted:		
Blackwell Lecture Endowment	44,955	44,780
Le Cam Endowment	33,345	33,270
Total permanently restricted	78,300	78,050
Total net assets	$ 7,527,146	$ 6,220,768

Temporarily restricted net assets were released from restriction for the following purposes during the year ended December 31, 2017:

Schramm Lecture Fund	$ 1,500
Tweedie Memorial Fund	376
	$ 1,876