

REPORT OF THE TREASURER

The Treasurer this year again presents to the membership an abridged statement of the Society's financial position, set up in semi-informal narrative style. A copy of the complete Treasurer's Report as submitted to the Trustees and the Council will be sent to any member requesting it from the Treasurer through the Providence office. Moreover, the Treasurer will be happy to answer any questions members may wish to put to him concerning the Society financial affairs.

Returns on invested funds this year have been at the annual rate of 3.72% computed on book value after deduction of custodial expense.

The Society has changed its fiscal year from a May 31 closing to December 31. Accordingly, the report of financial transactions, part II, represents the seven months period from June 1, 1966 to December 31, 1966. Coincident with this change in its accounting period the Society has deferred from income all 1967 dues and subscriptions. The change in the accounting period and the decision to defer from income all 1967 dues and subscriptions mean that the financial transactions outlined in Part II show a large operating deficit, with the usual expenses over a seven-months period but without most of the dues and subscription income. Future reports will be on a calendar year basis, in which both income and expenses will reflect the financial transactions for the entire period.

I

A DESCRIPTION OF THE FINANCIAL POSITION OF THE SOCIETY AS OF DECEMBER 31, 1966

The Society had Cash on deposit		
In the Rhode Island Hospital Trust Company	\$221,757.16	
In petty cash and drawing accounts	2,600.00	
	224,357.16	\$ 224,357.16
It had investments in its Agency account		153,118.75
There was owing to it		
By the United States Government	\$ 16,661.93	
By members, subscribers and others (less allowance for doubtful accounts)	247,638.63	
		264,300.56
It had prepaid expenses and deposits		22,068.99

There was due from National Science Foundation for reimbursable expenditures under grants	\$ 169,118.22
And it had invested in its Headquarters Building and Office Equipment	115,641.66
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Making a total of Current and Fixed Assets of	\$ 948,605.34
The Society also held Investment Securities valued at (The approximate market value December 31, 1966 was \$1,223,700.00)	1,117,299.40
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Total Assets, therefore, were	\$2,065,904.74
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Offsetting these assets, the Society	
Had Accounts Payable	\$ 147,726.73
Had deferred payments of publication charges	7,785.33
Had reserved royalties payable to Russian authors	27,669.96
Had reserved unearned dues and subscriptions	486,745.50
Had other miscellaneous liabilities	4,131.09
Had reserved in its Building Fund	340,689.55
Had funds and grants received from various special sources to support particular projects such as the Summer Institutes, Symposia, etc.	\$300,760.55
Had a surplus balance in its Publication Funds	56,202.79
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	\$356,963.34
Less the amounts included therein representing National Science Foundation grant balances unpaid	371,075.22
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	(14,111.88)
Its General Fund reflected a deficit of	(52,030.94)
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Thus accounting for all the Current Funds	\$ 948,605.34
The Invested Funds represent the following:	
1. The Endowment Fund, largely the gift of members about forty years ago	\$100,000.00
2. Robert Henderson Endowment Fund	547,223.20
3. The Library Proceeds Fund, derived from the sale of the Society's Library in 1950	66,000.00
4. The Prize Funds-Bocher, Cole, More and Veblen	8,575.00
5. Dues and Publication Reserve Fund	52,633.04
6. Mathematical Reviews Subscription Reserve Fund	80,000.00
7. Reserves established by the Trustees to protect life memberships formerly available, and as a "hedge" against investment losses	231,316.69
8. Other funds, derived mainly from bequests to the Society by members, which the Trustees were either required to invest or which they	

have invested at their option—the income
being used for the general purposes of the
Society..... 31,551.47

A total of Invested Funds of..... 1,117,299.40
Total Liabilities and Fund Reserves, therefore, were..... \$2,065,904.74

II

AN ACCOUNT OF THE FINANCIAL TRANSACTIONS OF THE SOCIETY DURING
THE SEVEN MONTHS PERIOD, JUNE 1, 1966—DECEMBER 31, 1966

The Society has two types of receipts: Funds for special purposes and projects, and the General Fund, from which are met the general operating expenses of the organization, including the publication of the Bulletin, the Proceedings, the Notices, and the Transactions. Income from sales of and subscriptions to these journals is placed in the General Fund, but in practice is allocated to the expense of the journals themselves. It is so treated in the following presentation:

To meet its general obligations the Society received:

From dues and contributions of individual members	\$178,580.00		
From dues of institutional members.....	58,400.00		
From dues of corporate and associate members...	15,000.00		
		<u>\$251,980.00</u>	

Deduct:

a) Deferral of 1967 dues.....	\$258,936.00		
b) Amount allocated to Notices and Bulletin.....	2,688.00	261,624.00	(\$9,644.00)
		<u>261,624.00</u>	

From sales and support of scientific journals of the Society.....		329,658.09	
From investment and trusts.....		26,306.02	
From publication charges.....		60,603.21	
From miscellaneous sources.....		2,097.16	
		<u>409,020.48</u>	
Total General Receipts.....	\$	409,020.48	

These Funds were Expended:

For expenses of scientific journals of the Society..	\$542,702.08		
For Organizational Expenses and Membership Services.....	44,522.35		
For Unrecoverable Overhead on grants and contracts.....	4,139.19		
In Subsidies to non-Society publications.....	9,900.00		
For miscellaneous other expenses and Fund transfers.....	33,279.82		
For support of Mathematical Reviews.....	23,500.00		
		<u>658,043.44</u>	

Total General Expenses.....		658,043.44	
Operating deficit charged to General Fund.....	\$	249,022.96	
		<u>249,022.96</u>	

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Summary of Scientific Journal Accounts

	<i>Income</i>	<i>Expenses</i>	<i>(Deficit)</i>
Bulletin.....	\$ 3,172.27	\$ 52,261.41	\$ 49,089.14
Proceedings.....	(1,637.55)	58,112.26	59,749.81
Notices.....	26,308.90	65,003.10	38,694.20
Transactions.....	20,675.00	69,075.63	48,400.63
Mathematical Reviews.....	278,360.73	278,360.73	-0-
Mathematics of Computation.....	2,778.74	19,888.95	17,110.21
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Total.....	\$329,658.09	\$542,702.08	\$ 213,043.99
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The above journal income is net after the deferral of 1967 subscriptions in the amount of \$210,898.00.

Detail of Subsidies to Other Journals

American Journal.....	\$3,500.00
Canadian Journal.....	1,300.00
Pacific Journal.....	2,700.00
Illinois Journal.....	1,350.00
SIAM.....	1,050.00
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Total.....	\$9,900.00
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Respectfully submitted,
W. T. MARTIN,
Treasurer

November 30, 1967