

## REPORT OF THE TREASURER FOR 1954

The report of the treasurer has been delayed this year on the recommendation of the treasurer and the concurrence of the Executive Committee in order that the report of the auditor might be submitted to the membership along with that of the treasurer. Because of the timing of publication of the *Annals*, it has been possible to give financial statements which more accurately reflect the position of the Institute on December 31, 1954 without introducing any additional delay in the publication of the reports. In previous years the books of record of the Institute have been closed in time to prepare financial reports for presentation at the Annual Meeting. While Statements of Income and Expense accurately reflected the activities through the whole of the calendar year, the Statements of Financial Condition did not include the cash receipts and the associated liabilities to members and subscribers which accumulated during the latter part of December. The Statement of Income and Expense submitted herewith can properly be compared with those for the last few years. The Statement of Financial Condition will differ in the three accounts mentioned in part because of the change in time of preparation.

Income and expenses are both higher in 1954 than in 1953. The increase in surplus is much lower in 1954 than in the two preceding years. Expenses increased for several reasons. One major increase was due primarily to the increase from 708 numbered pages in the *Annals* in 1953 to 826 pages in 1954. Along with an increase in the number of copies distributed, this item accounts for a \$2,141.94 increase in expenses. Printing costs are rising and the cost per page will increase markedly in 1955. Another major increase in expenses resulted from the decision of the Council that at least twice a year the Executive Committee should meet in person and that, to assure these meetings, the Institute should pay travel expenses of members of the Executive Committee to the Summer Meeting and to the Annual Meeting each year. This item amounted to \$990.98 in 1954. Other factors in the increase in expenses were the larger volume of material mailed to members by the Secretary and the use of Air Mail in distributing ballots on two occasions during the year to members outside the United States and Canada.

The decrease in dues rate for members outside the United States and Canada which became effective in 1954 would have produced a decrease of \$410 in income if no new members had been accepted. Increases in membership and reinstatements reduced the decrease to \$186. An increase of \$354 from individual members in the United States and Canada (in spite of a reduction in student dues rate), \$300 from institutional members and \$828.35 from nonmember subscriptions to the *Annals* gave a net increase of \$1,296.35 from dues and subscriptions. Changes in the form of investments and increased investments yielded \$1,350.18, an increase of \$1,025.18 over 1953.

The financial reports follow.

## THE INSTITUTE OF MATHEMATICAL STATISTICS

Statement of Financial Condition  
December 31, 1954

## ASSETS

*Current Assets*

Cash in Bank.....	\$10,689.37
Savings Bank Account.....	2,058.98
Investments (at cost)*.....	43,771.51
Dues Receivable.....	73.00
Due on Back Issue Sales.....	1,107.20
Miscellaneous Accounts Receivable.....	104.65
Inventory of Back Issues.....	18,524.28
<b>Total Assets.....</b>	<b>\$76,328.99</b>

## LIABILITIES AND MEMBERS EQUITY

*Current Liabilities*

Account Payable, Printing of Dec. <i>Annals</i> (Estimate).....	\$3,220.32
Withholding and F.I.C.A. taxes payable.....	187.20
Accrued Expenses.....	531.05
Amount Held for <i>Biometrika</i> subscriptions.....	404.50
Amount Held for Wald Memorial volume.....	1,440.00
<b>Total Current Liabilities.....</b>	<b>5,783.07</b>

*Liabilities to Members and Subscribers*

Advances on Dues, 1955, 1956.....	\$5,851.31
Advance on Dues, life members.....	2,872.50
Advances on Subscriptions.....	5,707.05
<b>Total Liabilities to Members and Subscribers.....</b>	<b>14,430.86</b>

*Members Equity*

Reserve for Maintaining Supply of Back Issues.....	\$21,752.52
Surplus.....	34,362.54
<b>Total Members Equity.....</b>	<b>56,115.06</b>
<b>Total Liabilities and Members Equity.....</b>	<b>76,328.99</b>

Statement of Income and Expenses  
for the period January 1, 1954 through December 31, 1954*Revenues*

Membership Dues.....	\$14,115.00
Subscriptions.....	10,071.00

\* The book value of investments is cost. The cash value is \$6 higher. During 1954, \$20,000 was transferred from Time Certificates of Deposit to Savings and Loan Associations. Investments at the end of 1954 were \$11,888 in U. S. government bonds and \$31,883.52 in Savings and Loan Associations. These amounts are fully insured by Agencies of the U. S. government.

Sale of Back Issues:		
Gross Income.....	\$5,498.83	
Cost of Sales.....	1,884.04	3,614.79
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Income from Investments.....		1,350.18
Miscellaneous Revenue.....		534.33
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Total Revenue.....		29,685.30
<i>Expenses</i>		
Printing of Current <i>Annals</i> :		
Cost of current issues printed.....	\$13,927.98	
Inventory, December 31, 1954 of 1954 <i>Annals</i> .....	1,448.13	12,479.85
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Editorial Expense.....		849.69
Miscellaneous Printing, Stationery, Postage.....		2,873.40
Miscellaneous Office Expense.....		755.60
Salary.....		3,360.00
Contributions.....		151.73
President's Office Expenses.....		131.00
Travel.....		990.98
F. I. C. A. tax.....		33.60
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Total Expenses.....		\$21,625.85
Excess of Revenues over Expenses.....		8,059.45
Minus Addition to Reserve for Maintaining Supply of Back Issues.....		1,323.00
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Increase in Surplus.....		\$6,736.45
Surplus, December 31, 1953.....		\$27,626.09
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Surplus, December 31, 1954.....		\$34,362.54

K. J. ARNOLD  
Treasurer

I have examined the financial statements of the Institute of Mathematical Statistics as of December 31, 1954 consisting of a Statement of Financial Condition as of this date and a Statement of Revenue and Expense for the year then ended.

My examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records as were considered necessary. The inventory of back issues was not physically examined, but direct confirmation was received from the independent agent who is responsible for the physical control of such inventory. Accounts receivable were not confirmed; however, they were not considered to be of a material amount.

In my opinion, the accompanying Statement of Financial Position and the Revenue and Expense statement present fairly the financial position of the Institute of Mathematical Statistics as of December 31, 1954 and the results of

its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CHARLES LAWRENCE  
CPA (Michigan)

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PUBLICATIONS RECEIVED

JONES, B. W., *The Theory of Numbers*, Rinehart and Co., Inc., New York, 1955, xi, 143 pp., \$3.75.

*Selected Papers in Statistics and Probability by Abraham Wald*, McGraw-Hill Book Co., Inc., New York, 1955, ix + 702 pp., \$8.00.

THEIL, H., *Linear Aggregation of Economic Relations*, North-Holland Publishing Co., Amsterdam, 1954, xi + 205 pp., \$5.00.

Tinbergen, J., *Centralization and Decentralization in Economic Policy*, North-Holland Publishing Co., Amsterdam, 1954, viii + 80 pp., \$1.80.