

AAAI News

Summer News from the American Association for Artificial Intelligence

AAAI-2000/IAAI-2000

The program for the Seventeenth National Conference on Artificial Intelligence, to be held July 31-August 3 in Austin, Texas, will incorporate all the best features of recent conferences, along with one or two new developments. The technical program will consist of 143 papers that reflect the best of the field and provide a unique snapshot of exciting new areas and maturing subdisciplines. Technical authors will also be given the opportunity to participate in a new evening poster session, open to all conference attendees and including light refreshments.

Four papers, in particular, will be honored as AAAI-2000 Outstanding Papers. They are

- The Game of Hex: An Automatic Theorem-Proving Approach to Game Programming (*Vadim V. Anshelevich, Vanesh Consulting*)
- Automatic Invention of Integer Sequences (*Simon Colton and Alan Bundy, University of Edinburgh; Toby Walsh, University of York*)
- Statistics-Based Summarization — Step One: Sentence Compression (*Kevin Knight and Daniel Marcu, University of Southern California*)
- Local Search Characteristics of Incomplete SAT Procedures (*Dale Schuurmans and Finnegan Southery, University of Waterloo*)

The AAAI Presidential Address, presented by Bruce Buchanan and entitled "Creativity at the Meta-Level," will kick off the technical program. The invited speaker program will feature 14 talks, 2 cosponsored by IAAI-2000, representing such diverse subjects as decision making under uncertainty, embodied systems, natural versus "artificial" wireless communications, operations research, AI funding, modeling of data distribu-

tions, heuristic search, mobile robots, interactive computer games, machine reasoning, vision, game playing, real-time language processing, and large-scale AI for information retrieval.

The Twelfth Innovative Applications of Artificial Intelligence Conference (IAAI-2000) will run concurrently with the main technical conference this year on Tuesday, August 1, and Wednesday, August 2. IAAI-2000 will honor six case studies of fully deployed applications with measurable benefits whose value depends on the use of AI technology. The conference will also showcase 12 papers in emerging areas of AI technology and applications. This year's papers address applications in a wide variety of domains, including large-scale scheduling, biotechnology, medical data mining, civil engineering, financial modeling, e-mail management, manufacturing, and interactive agents. AI techniques discussed include knowledge-based systems, vision, constraint programming, machine learning, software synthesis, planning and execution, natural language processing, diagnostic reasoning, reasoning with uncertainty, neural networks, and cognitive simulation. The innovative applications conference is intended not only for those involved in applications but also for researchers interested in gaining a better understanding of the applications side of the AI equation.

The AAAI-2000 exhibition will offer a wide variety of programs, including the Ninth Annual Mobile Robot Competition and Exhibition, the Intelligent Systems Demonstrations, the final round of the National Botball Tournament, and the finals of the AAAI-2000 Robot Building Laboratory contest. Attendees will also have an opportunity to browse through the numerous research laboratory, pub-

lisher, and consultant displays. Exhibition programs will culminate with the AI Festival, held on Wednesday evening.

The AAAI-2000 program also features the Tutorial Form; the 2000 Workshop Program; and a collection of student programs, including the successful Doctoral Consortium and the Student Abstract and Poster Session.

For more information about the conference or to register, please visit the AAAI-2000 web site at www.aaai.org/Conferences/National/2000/aaai-iaai2000.html, or contact AAAI at 650-328-3123 or ncai@aaai.org. We hope to see you in Austin!

AAAI Annual Business Meeting

The annual business meeting of the American Association for Artificial Intelligence will be held at 12:45 PM, Wednesday, August 2, 2000, at the Austin Convention Center in Austin, Texas.

AAAI Executive Council Nominations

Every two years, the AAAI membership elects an individual to serve a two-year term as president-elect, followed by two years as president and, finally, two years as immediate past president. In addition, every year four new councilors are elected to serve three-year terms on the AAAI Executive Council. The Nominating Committee encourages all regular members in good standing to place an individual's name before it for consideration. The Nominating Committee, in turn, will nominate one candidate for president-elect and eight candidates for councilor in the spring. In addition to members' recommendations, the committee will actively recruit individuals to provide a balanced slate of candidates. AAAI members will vote in the late spring of 2000.

To submit a candidate's name for consideration, please send the individual's name, address, phone number, and e-mail address to Carol

Hamilton, Executive Director, AAAI, 445 Burgess Drive, Menlo Park, CA 94025; by fax to 650/321-4457 or by e-mail to hamilton@aaai.org. Nominees should contact candidates prior to submitting their names to verify that they are willing to serve, should they be elected. The deadline for nominations is November 1, 2000.

2000 AAAI Fall Symposium Series

The 2000 AAAI Fall Symposium Series will be held Friday through Sunday, November 3–5, 2000, at the Sea Crest Conference Center in North Falmouth, Massachusetts. The titles of the five symposia in the 2000 Fall Symposia Series are

- Building Dialogue Systems for Tutorial Applications
Cochairs: Carolyn Penstein Rose and Reva Freedman (www.pitt.edu/~circle/itsymp.html)
- Learning How to Do Things
Cochairs: Mathias Bauer (bauer@dfki.de) and Charles Rich (rich@merl.com)
- Parallel Cognition for Embodied Agents
Cochairs: Ian Horswill (ian@cs.nwu.edu) and Alan Schultz
- Simulating Human Agents
Chair: Michael Freed (mfreed@mail.arc.nasa.gov)
- Socially Intelligent Agents—The Human in the Loop
Chair: Kerstin Dautenhahn (K.Dautenhahn@cyber.reading.ac.uk).

Symposia will be limited to 40 to 60 participants each. In addition to invited participants, a limited number of other interested parties will be able to register in each symposium on a first-come, first-served basis. Complete registration and hotel information will be available in July by request from fss@aaai.org or on the AAAI web site at www.aaai.org/Symposia/symposia.html. Invited participants must register by September 6, and the final registration deadline is September 20. The deadline for hotel reservations at the Sea Crest is October 2, 2000. The discounted single/double room rate of \$82.00 a night might not be available after this date. Please call the Sea Crest at 1-800-225-3110 or 1-508-540-9400

for reservations, and be sure to identify yourself as an attendee of the American Association for Artificial Intelligence Fall Symposium Series.

2001 Spring Symposium Series

The 2001 Spring Symposium Series will be held March 26–28, 2001, at Stanford University. The call for participation will be available in July on the AAAI web site (www.aaai.org/Symposia/symposia.html) and will be mailed to all AAAI members. The tentative list of titles is as follows:

- Artificial Intelligence and Interactive Entertainment
Cochairs: Mike van Lent, University of Michigan (vanlent@umich.edu) and John Laird (laird@umich.edu)
- Robust Autonomy
Cochairs: Ella M. Atkins (atkins@eng.umd.edu) and Lorraine M. Fesq (fesq@mit.edu)
- Game-Theoretic and Decision-Theoretic Agents
Cochairs: Simon Parsons (S.D.Parsons@elec.qmw.ac.uk) and Piotr Gmytrasiewicz (piotr@huckle.uta.edu)
- Learning Grounded Representations
Cochairs: Carole Beal (cbeal@psych.umass.edu) and Paul R. Cohen (cohen@cs.umass.edu)
- Answer Set Programming: Toward Efficient and Scalable Knowledge Representation and Reasoning
Cochairs: Alessandro Provetti (provetti@cs.utep.edu) and Son Tran Cao (tson@ksl.stanford.edu)

AAAI/IAAI-2002 and IAAI-2001

AAAI is pleased to announce that the Eighteenth National Conference on Artificial Intelligence (AAAI-2002) and the Fourteenth Innovative Applications of Artificial Intelligence Conference (IAAI-2002) will be held in Edmonton, Alberta, Canada from July 21–25, 2002. The program cochairs for AAAI-2002 are Rina Dechter, University of California, Irvine (dechter@ics.uci.edu) and Richard Sutton, AT&T Labs—Research (sutton@research.att.com). For further information, please contact AAAI at 650/328-3123 or by e-mail at ncai@aaai.org.

AAAI will cosponsor IJCAI-2001 in Seattle Washington, August 4–10. The Thirteenth Innovative Applications of Artificial Intelligence Conference (IAAI-2001) will be colocated with IJCAI in Seattle.

Please mark your calendars now for these important events!

Allen Newell Award

AAAI is pleased to announce that Nancy G. Leveson of the Massachusetts Institute of Technology was the recipient of the 1999 ACM Allen Newell Award. The Allen Newell Award is presented annually to an individual whose career contributions display breadth within computer science or bridge computer science and other disciplines. The award is endowed by AAAI.

Nancy Leveson was recognized for pioneering and developing the interdisciplinary field of software safety and for developing innovative approaches to ensuring that computers do not contribute to loss of life and property. Leveson's work has influenced not only academic research but government standards and industrial practice worldwide, spanning nuclear power, aerospace, medical, and various transportation systems. Leveson has built bridges between computer science and the fields of system engineering; mechanical, industrial, and other engineering specialties; human factors and industrial psychology; organizational sociology; and formal accident theory.

AAAI Member News

AAAI members Marwan A. Simaan and Gerald J. Sussman were recently elected to membership in the National Academy of Engineering (NAE). Election to the NAE is among the highest professional distinctions accorded an engineer. Academy membership honors those who have made "important contributions to engineering theory and practice, including significant contributions to the literature of engineering theory and practice" and those who have demonstrated "unusual accomplishment in the pioneering of new and developing fields of

technology." The citations were as follows:

Marwan A. Simaan, Bell of Pennsylvania/Bell Atlantic Professor of Electrical Engineering, University of Pittsburgh, Pittsburgh. For contributions to the development of signal processing techniques for imaging the Earth's subsurface zone.

Gerald J. Sussman, Matsushita Professor of Electrical Engineering, Department of Electrical Engineering and Computer Science, Massachusetts Institute of Technology, Cambridge. For applications of artificial intelligence and for computer science education.

AAAI congratulates Simaan and Sussman for this great honor.

Executive Council Minutes

The AAAI Executive Council met at Stanford University on March 19, 2000.

Attending: Bruce Buchanan, Bonnie Dorr, Eric Horvitz, Tom Mitchell, Norm Nielsen, Paul Rosenbloom, Stuart Russell, Reid Simmons, David Waltz, Carol Hamilton, Mike Hamilton

AAAI President Bruce Buchanan called the meeting to order at 1:05 PM.

Standing Committee Reports

Finance/Membership. Secretary/Treasurer Norm Nielsen reviewed the financial status of the association, noting that the operating reserve has continued to grow. The association is now subsidizing several activities during the national conference, numerous grants and scholarships, and some operating expenses through these funds. The membership is fairly steady, although there continues to be slight erosion each year. Several suggestions were made about how to increase membership. President Bruce Buchanan would like to reinstitute the position of membership chair on the Executive Council. Before doing so, however, he would like to bring together a small group of interested people to brainstorm about membership, probably later this fall. Buchanan is seeking suggestions from council members for participants in

this day-long facilitated session.

Conference Conference Committee Chair Paul Rosenbloom reported that there were 432 submissions for the national conference this year and 143 acceptances. One hundred sixty-one members of the program committee, including cochairs and senior members, provided at least 3 blind reviews for each paper. AAAI continued its web-based self-selection system. A new technical author poster session has been added to the program, which will be held Tuesday evening and will include light refreshments. Council members suggested that a survey be taken after the poster session to assess attendees' feedback. All other programs remain the same as in 1999. The presidential address by Bruce Buchanan will kick off the technical program, and there will be 14 other invited presentations. Registration rates will be increased by 5 percent in 2000 for regular attendees only.

IAAI-2000 submissions increased substantially this year, and the program committee selected 6 award-winning deployed applications and 12 emerging applications. IAAI has shifted from a Monday-Wednesday schedule to a Tuesday-Wednesday schedule to be completely concurrent with the technical program. Registration for IAAI is included in the technical registration fee. A proposal for IAAI to take a hiatus for one year in 2001 was considered but not approved. The council felt it was important to maintain the momentum that IAAI has gained and to preserve the integrity of the conference. Executive Director Carol Hamilton will contact IJCAI officials to pursue a collocation agreement. The council would like to have IAAI included into the IJCAI registration fee.

Of the remaining conference programs, the council concentrated on the Intelligent Systems (IS) Demos and the Robot Competition. The IS Demos Program saw a decrease in submissions this year. The council suggested a more aggressive campaign for 2002, perhaps tapping the best demos presented at subarea conferences and personal invitations to previous participants. The council also recommended that the robot competition, which cost \$79,000 in 1999, be kept at a cost

of \$50,000 for 2000. Outside funding should cover unusual expenses, such as awards and new features, including the Urban Search and Rescue event. In addition, the chair will try to find a sponsor for the refreshments.

Paul Rosenbloom also announced that the cochairs for AAAI-2002 have been selected, and they are Rina Dechter of the University of California, Irvine and Rich Sutton of AT&T—Research.

Fellows/Nominating Past President Dave Waltz reported that the Fellows Selection Committee received 39 nominations to review and will make their final selections in mid- to late April. Waltz also resubmitted a proposal to increase the number of fellows elected each year. Specifically, he proposed that AAAI (1) remove the 2.5-percent overall limit as applied to current membership numbers, as well as the 0.2-percent annual limit, and (2) replace it with a clause allowing up to 10 new fellows a year. This proposal was endorsed by the council members present and approved in a follow-up e-mail vote with the entire council. The Nominating Committee was in the final stages of putting together a ballot of eight candidates for the 2001–2004 term. The ballots will be mailed in May to all regular members of AAAI.

Publications Mike Hamilton presented the publications report for Publications Chair Ken Ford. The AAAI Press is continuing to publish several new edited collections each year and the AAAI conference and subarea conference proceedings, now totaling about 75 volumes in print. In addition, there are 143 technical reports from the workshops and symposia. The press sustained a one-time charge for the liquidation of excess old inventory in 1999, which reduced its surplus somewhat. The *AI Magazine* is doing extremely well under the new editorship of the David Leake, with issues already confirmed through Fall 2000. B. Chandrasekaran is the new book review editor, and Robert Morris is the new workshop report editor. The web site is undergoing a complete update and reorganization. The new site will contain all conference papers and abstracts, symposia and workshop technical reports, and AI Magazine ar-

ticles from volume 9 to the present. The Executive Council approved a proposal for \$15,000 to have the prior volumes scanned. Electronic publications are currently available to AAAI members. The first stage of the new web site is scheduled for completion prior to the national conference. Hamilton is also working with Bill Woods on a new search engine.

Symposium Carol Hamilton reported that the search is still under way for a new associate chair for the Symposium Committee. This individual must be an Executive Council member, who serves as the liaison between the organizers of the symposia and the council. The 1999 Fall Symposium was held in North Falmouth, Massachusetts. Each of the 5 symposia had an average attendance of 43 people, which is good. The Fall Symposium will return to the same site in 2000 but will seek an alternate site in 2001. Although the 2000 Spring Symposium had only 6 symposia, the pre-registration figures indicated a healthy attendance. It is hoped that the series will have at least 7 symposia in 2001. Although it is increasingly difficult to find good proposals for the symposium series, the council did not approve a proposal to discontinue the Fall Symposium Series.

Grants Carol Hamilton reported that \$51,794 has been awarded in grants since August 1, 2000, with an additional \$190,227 committed for the remainder of the calendar year. Grants support independent workshops and conferences, women and minority programs, several national conference programs, the student scholar program, awards and fellows programs, and miscellaneous special project requests.

Other Business

Industrial Fellows Proposal This proposal, submitted by Bruce Buchanan, Katia Sycara, Manuela Veloso, stipulated the inclusion of the following wording in the Call for Fellows Nominations, mailed to the membership each fall. "AAAI Fellowship is a lifetime honor and is awarded to individuals who have made outstanding contributions to the theory or practice of AI. The AAAI Fellows

program intends to recognize individuals each year who are employed in industry, as well as those who are in academia. Fellows from industry are individuals who have made substantial contributions to either AI research or the championing and adoption of AI technology in industry." The proposal did not include any provision for a separate nomination form or review process. The proposal was approved by the council. This new wording will take effect in 2001.

Awards Programs Dave Waltz reported that one additional award has been added to the Special Awards category. It is the Effective Expository Writing Award, which honors the author(s) of a high-quality, effective piece of writing, accessible to the general public or to a broad AI audience (not just a subarea), written within the last two years. The contribution should be based on sound science, interesting ideas, or systematic review, with nontrivial content, but the award is primarily for the exposition—the author need not be the one who has done the research. Nominations for this award, as well as the Classic Paper Award (1982) and the Distinguished Service Award, were being sought at the time of the meeting. The Awards Committee will review nominations, make additional nominations, and make selections prior to the national conference.

AAAI will present as many as 15 \$1000 awards at the INTEL International Science and Engineering Fair 2000 (ISEF2000), to be held in Detroit, Michigan, May 8-13. Winners and their schools will also receive one-year memberships in AAAI. This year's judges include John Laird; Peter Friedland; Tom Gruber; David Atkinson; and Mel Montemerlo, who is the AAAI chair for the event.

Waltz also reported that AAAI renewed its commitment to fund the ACM Allen Newell Award for the next five years at \$10,000 a year. Recipients receive the full \$10,000 and are honored at the annual ACM Awards dinner. An attempt will be made to increase the visibility of AAAI's association with this award in the future.

PATHFINDER Web Site Bruce Buchanan reported that the pathfinder

AAAI 2000 begins July 30!

Your registration must be postmarked by June 30th to take advantage of the late registration discount! For information, call 650-328-3123, send e-mail to ncai@aaai.org, or visit the conference website (www.aaai.org/Conferences/National/2000/)

web site, which is geared toward the public, science teachers, and students, has continued to expand. The current budget for the site is \$10,000 a year. This will likely increase during the next year as staff needs expand. Jon Glick, the new designer for the site, is concentrating on sources that are online and readable. He has also added a new section on "What's in the News."

Sponsored Journals AAAI has added two new journals to its list of sponsored journals: Autonomous Agents and Multi-Agent Systems and Data Mining and Knowledge Discovery. Both of these journals offer discounts to AAAI members.

AAAI Affiliates The new Affiliates Program has attracted two members thus far: the Genetic and Evolutionary Computation Conference and the Symposium on Abstraction, Reformulation, and Approximation. Both meetings have made a commitment to collocate with AAAI on a periodic basis and offer discounts to AAAI members. They also receive a number of benefits from AAAI for this informal affiliation.

AAAI-2002 Conference Sites Two proposals were considered by the Executive Council for AAAI-2002, one from Albuquerque, New Mexico, and one from Edmonton, Alberta, Canada. After careful consideration, the council members present recommended Edmonton, Alberta. This recommendation was approved in a follow-up e-mail vote by the entire Executive Council. The council selected Edmon-

ton primarily for the strong local support from the AI community and the likelihood of several collocated sub-area conferences.

Media Relations A proposal to expand our commitment to media relations was endorsed by the council. The media liaison will no longer concentrate on just the conference but will be proactive throughout the year. Carol Hamilton will seek a proposal from our consultant for this purpose.

IJCAI-2001 and IJCAI-2003 The Executive Council approved a 2001 budget request from IJCAI, Inc., to include a \$50,000 item to partially cover the IJCAII scholarship program and operating expenses. IJCAI-2003 will be held in Mexico, and AAAI has tentatively agreed not to hold the national conference that same year. The council requested that IJCAII allow AAAI to have its name listed as a sponsor of IJCAI-2003, have our logo placed on promotional materials (and the web site), and notify our members of our sponsorship of IJCAI-2003.

Summer Institute Following up on his suggestion from the last meeting, Stuart Russell presented a proposal for a AAAI-sponsored Summer Institute in 2001. The purpose of the institute would be to consolidate and disseminate recent research progress and ideas, train a substantial cadre of researchers and teachers, create course content and materials for advanced graduate courses, strengthen ties to "diaspora" research areas, and establish agenda for future research and development. Russell's plan would be to hold the institute just prior to IJCAI-2001 to encourage international participation. The council enthusiastically supported this idea and asked for a follow-up proposal at the summer meeting.

AAAI Name Change Dave Waltz suggested that the council continue to consider a name change for the association that would shift its identity from a national to an international society. This would better reflect its international membership and conference attendance. Bruce Buchanan will follow up this suggestion with international contacts.

The meeting adjourned at 5:40 PM.

Independent Auditor's Report

We have audited the statement of financial position of American Association for Artificial Intelligence as of December 31, 1999 and the related statements of activities, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 in-

cludes 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 American Association for Artificial Intelligence as of December 31, 1999 and the results of operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

March 13, 2000

Robert H. Burnham, C.P.A.

Statement of Financial Position December 31, 1999

Assets

Current Assets:

Cash & Equivalents	\$ 827,940
Investments - Stated at Fair Market Value (Note 1A & 3)	12,186,610
Accounts Receivable - Trade	17,197
Inventory	169,373
Prepaid Expenses & Advances	3,736
Prepaid Expenses - Future Events	<u>65,964</u>

TOTAL CURRENT ASSETS

13,270,820

Furniture, Fixtures & Equipment, Net (Note 1-C)

65,537

Deposits

5,279

\$13,341,636

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Liabilities and Net Assets

Current Liabilities:

Accounts Payable and Accrued Expenses	\$ 33,225
Unearned Membership Fees (Note 4)	<u>227,914</u>

TOTAL CURRENT LIABILITIES

261,139

Net Assets - Unrestricted

13,080,497

\$13,341,636

Notes to Financial Statements December 31, 1999

Note 1: Summary of Significant Accounting Policies

A. Method of Accounting:

The financial statements are presented on the accrual basis of accounting.

Effective for 1996 the Association has changed its method of accounting for investments from "original cost" to "fair market value" as required by the provisions of Statement of Financial Accounting Standards No. 124. The cumulative effect of the change in accounting principle from prior years was shown as an extraordinary item on the statement of activities for the year ended December 31, 1996. Since investments are stated at fair market value realized and unrealized gains and losses are combined on the statement of activities where in years prior to 1996 only realized gains and losses were shown.

B. Inventory:

Magazine, proceedings, conference books and publications in process inventory is valued at the lower of cost or market value as of December 31, 1999.

C. Furniture, Fixtures and Equipment: Furniture, fixtures and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over estimated useful lives of five to ten years. Furniture, fixtures and equipment consist of the following at December 31, 1999.

Cost	\$ 187,297.
Accumulated depreciation	<u>(121,760.)</u>
Net	\$ 65,537.

D. Income Taxes:

American Association for Artificial Intelligence is exempt from income taxes on its earning from investments and its exempt function operations under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Federal and California taxes were paid during 1998 on earnings from sales of mailing lists and advertising.

Statement of Activities and Changes in Net Assets for the Year Ended December 31, 1999

Changes in Net Assets: Gross Profit (Loss), By Activity:

<i>AI Magazine</i> Revenue (Note 4)	\$ 18,821	
<i>AI Magazine</i> Expenses	<u>(182,635)</u>	\$ (163,814)
Memberships Revenue (Note 4)	299,832	
Memberships Expenses	<u>(132,615)</u>	167,217
AAAI Press Revenue	203,917	
AAAI Press Cost of Sales	<u>(201,441)</u>	2,476
Spring Symposium '99 Revenue	63,845	
Symposium Expenses	<u>(64,487)</u>	(642)
Fall Symposium '99 Revenue	47,225	
Symposium Expenses	<u>(56,041)</u>	(8,816)
Conference Service Fees	75,500	
Conference Service Salaries	<u>(75,500)</u>	-0-
AAAI '99 Revenue	348,068	
AAAI '99 Expenses	<u>(469,322)</u>	(121,254)
AAAI Conferences		
Proceedings Printing	<u>(66,079)</u>	(66,079)
'99 Exhibits Revenue	131,108	
Exhibits Expenses	<u>(147,972)</u>	(16,864)
Prior Year Events Expenses	<u>(411)</u>	
Royalty Income & Reprint Permissions	1,366	
Interest & Dividend Income	304,363	
Realized & Unrealized Gains on Investments (Note 1A)	1,985,755	
Investment Management Fees	<u>(118,539)</u>	
Grants & Scholarships Expended	<u>(419,553)</u>	
Miscellaneous	<u>1,773</u>	
Gross Profit, Combined	1,546,978	
Operating Expenses	<u>(420,012)</u>	
Net Increase in Net Assets	1,126,966	
Net Assets—January 1, 1999	<u>11,953,531</u>	
Net Assets - December 31, 1999	<u>\$13,080,497</u>	<u>=====</u>

Note 2: Operations

The American Association for Artificial Intelligence (AAAI) was formed in 1979 as a scientific society, to encourage the basic knowledge of what constitutes intelligent thought and behavior and how it can be exhibited in computers. This is accomplished by the *AI Magazine*, the publications of the AAAI Press, the National Conference on Artificial Intelligence (NCAI), the Conference on Innovative Applications of Artificial In-

telligence (IAAI), the International Conference on Knowledge Discovery and Data Mining, the Mobile Robot Competition, the Symposium Series, and the AAAI Workshop Program. In addition, AAAI has an extensive program for student scholarships, women and minority grants, and sponsorship of independent workshops and conferences. Finally, AAAI's World Wide Web Site serves as a central resource for individuals involved in AI research.

Statement of Cash Flows for the Year Ended December 31, 1999

Cash Flows From Operating Activities:

Net Increase in Net Assets	\$1,126,966
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operations:	
Depreciation Expense	21,523
Net Increase in Accounts Receivable	(3,267)
Net Decrease in Inventory	79,543
Net Increase in Prepaid Expenses	(30,011)
Net Decrease in Accounts Payable	(4,344)
Net Increase in Unearned Membership Fees	10,228
Net Unrealized and Realized Gains on Investments	<u>(1,985,755)</u>
Net Cash Flows From Operating Activities	<u>(785,117)</u>

Cash Flow From Investing Activities:

Purchase of Furnishings & Equipment	(39,101)
Sale of Investments, Net of Purchases of Investments	<u>1,091,439</u>
Net Cash Flow From Investing Activities	<u>1,052,338</u>
Net Increase in Cash & Equivalents	267,221
Cash & Equivalents -January 1, 1999	560,719
Cash & Equivalents - December 31, 1999	<u>\$ 827,940</u>

Note 3: Investments at December 31, 1999

Investments are stated at fair market value since it is readily determinable and the investments are not necessarily being held to any maturity. Realized and unrealized gains and losses are reported in the statement of activities.

Investment activity for 1999 is as follows:

Investments - Beginning of year (At fair market value)	\$ 11,292,294
Unrealized & Realized gains	1,985,755
Interest & Dividends (Investments only)	<u>281,446</u>
Total Return On Investments	13,559,495
Purchases of Investments	6,943,545
Sales of Investments	(8,034,984)
Interest & Dividends deposited to Cash & Equivalents	(281,446)
Investments - End of Year	<u>\$12,186,610</u>

Investments consist of the following at 12-31-99:

U.S. Treasury / Agency Notes & Guaranteed Mortgages	\$ 1,608,891
Corporate Fixed Income	1,678,338
Common/Preferred Stocks	<u>8,899,381</u>
Total Investments - Unrestricted	<u>\$12,186,610</u>

Note 4: Memberships

Annual membership in the American Association for Artificial Intelligence is \$50 for individuals, \$20 for student members, and \$75 for library sub-

scriptions. Twenty five dollars is added to the above for other than U.S. and Canadian members. Three, five year, and lifetime memberships are also available. All Revenue from mem-

AAAI Annual Business Meeting

The annual business meeting of the American Association for Artificial Intelligence will be held at 12:45 PM, Wednesday, August 2, 2000, at the Austin Convention Center in Austin, Texas.

berships is included in the AI Memberships gross profit center. Revenues from membership fees are earned ratably over the respective membership period. Lifetime membership fees are recognized as income over ten years.

Note 5: Pension Benefits

Prior to 1998 American Association for Artificial Intelligence sponsored a pension plan under Section 403 (B) of the Internal Revenue Code allowing employee contributions to their own individual accounts. Beginning in 1998 the plan expanded benefits to include company contributions to their individual accounts of five percent of their salaries for regular, full-time employees who have worked a minimum of three years at AAAI. In addition, AAAI will match employees' contributions up to five percent of their salaries for regular, full-time employees who have worked a minimum of five years at AAAI.