

Please Join Us for AAAI / IAAI 2012 in Toronto!

The Twenty-Sixth AAAI Conference on Artificial Intelligence (AAAI-12) will be held July 22-26, 2012, at the Sheraton Centre in Toronto, Canada. The Twenty-Fourth Conference on Innovative Applications of Artificial Intelligence (IAAI-12) will be collocated with AAAI-12, and will be held July 24-26 (see www.aaai.org/Conferences/AAAI/aaai12.php).

The AAAI program cochairs for 2012, Joerg Hoffmann (INRIA, France) and Bart Selman (Cornell University, NY, USA) will continue the innovations introduced during the past several years of the conference, including two new special tracks. An overview of the special tracks follows. For the full technical Call for Participation, as well as all program deadlines and guidelines, please visit the AAAI-12 website at www.aaai.org/aaai12.

AAAI-12 will also include all of these ongoing programs!

- AAAI-12 Tutorial Forum
- AAAI-12 Workshop Program
- AAAI-12 Student Abstract & Poster Program
- 17th AAAI/SIGART Doctoral Consortium
- AAAI Robotics Program
- AAAI General Game Playing Competition
- AAAI Poker Competition
- AAAI Video Competition

Here are few important deadlines to note on your calendar:

- *January 17:* IAAI-12 Papers due
- *January 20:* AAAI-12 Technical and Special Track Abstracts due
- *January 24:* AAAI-12 Technical and Special Track Papers due
- *February 2:* AAAI-12 Student Abstracts due
- *February 7:* AAAI-12 Doctoral Consortium Applications due
- *February 8:* EAAI-12 Papers due
- *March 30:* AAAI-12 Workshop submissions due
- *April 10:* AAAI-12 EAAI/IAAI/Student Abstracts camera-ready copy due
- *April 17:* AAAI-12 Technical and Special Track camera-ready copy due

For complete details about any of the AAAI-12 programs, please visit the AAAI-12 website, www.aaai.org/aaai12.

AAAI News

*Winter News from the
Association for the Advancement
of Artificial Intelligence*

Independent Auditor's Report

Artificial Intelligence and the Web Special Track

This special track invites research papers on AI techniques, systems and concepts involving or applied to the web. Papers should either describe web-related research or clearly explain how the work addresses problems, opportunities or issues underlying the web or web-based systems.

NEW! Cognitive Systems Special Track

In an attempt to return to the original goals of artificial intelligence and cognitive science, this special track invites papers in human-level intelligence, integrated intelligent systems, cognitive architectures, situated embodied cognition, and related areas that aim to explain intelligence in computational terms and reproduce a range of human cognitive abilities in computational artifacts. The track will focus on various cognitive capabilities in the context of artificial cognitive systems, including conceptual inference and reasoning, memory storage and retrieval, natural language understanding and dialogue, social cognition and interaction, problem solving and decision making, introspection and metacognition, structural learning and knowledge capture, and other related integrated cognitive functions.

Computational Sustainability and Artificial Intelligence Special Track

Computational sustainability is a new interdisciplinary field that aims to ap-

ply techniques from computer and information science and related disciplines (for example, operations research, applied mathematics, and statistics) to the balancing of environmental, economic, and societal needs, in order to support sustainable development and a sustainable future. This special track invites the submission of research papers on novel concepts, models, algorithms, and systems, in order to address problems in computational sustainability. A broad range of papers ranging from formal analysis to applied research are sought. Examples include papers explaining how the research addresses specific computational problems, opportunities, or issues underlying sustainability challenges and papers describing a sustainability challenge or application that can be tackled using AI methods. Papers proposing general challenges and competitions for computational sustainability are also welcome.

NEW! Robotics Special Track

From the days of Shakey to current automatic cars, robotics has been a formidable proving ground for artificial intelligence. This special track invites papers that challenge the limits of AI and machine learning algorithms with applications to real-world robotic systems. The track will cover applications of AI to a diverse set of domains, including perception, motion planning, control, human-robot interaction, and decision-making. In its inaugural year, the special track is particularly interested in showcasing research on 3D perception for navigation, manipula-



John McCarthy, In Memoriam

It is with great sadness that AAAI notes the passing on October 24, 2011 of John McCarthy, professor emeritus of computer science at Stanford University. McCarthy, a past president of AAAI and an AAAI Fellow, helped design the foundation of today's internet-based computing and is widely credited with coining the term, *artificial intelligence*.

Trained as a mathematician, he was responsible for seminal advances in the field and was often called the father of computer time-sharing, a major development of the 1960s that enabled many people and organizations to draw simultaneously from a single computer source without having to own one. While teaching mathematics at Dartmouth in 1956, McCarthy was the principal organizer of the first Dartmouth Conference on Artificial Intelligence. In 1958, he moved to the Massachusetts Institute of Technology, where, with Marvin Minsky, he founded the Artificial Intelligence Laboratory. It was at MIT that he began working on the List Processing Language, or Lisp, which became a standard tool for artificial intelligence research and design. McCarthy, who taught briefly at Stanford in the early 1950s, returned there in 1962 and in 1964 became the founding director of the Stanford Artificial Intelligence Laboratory.

John McCarthy was born on Sept. 4, 1927, in Boston. The family later moved to Los Angeles, and he entered the California Institute of Technology in 1944. He went on to graduate studies at Princeton, where he earned his PhD in mathematics in 1951. In 1971 McCarthy received the ACM Turing Award for his work in artificial intelligence. He was awarded the Kyoto Prize in 1988, the National Medal of Science in 1991, and the Benjamin Franklin Medal in 2003. He was a member of the National Academy of Sciences, the National Academy of Engineering and the American Academy of Arts and Sciences.

AI Magazine plans additional coverage of McCarthy's life and work in a subsequent issue.

tion, and environment understanding; autonomous and human-in-the-loop manipulation; intelligence and perception for human-robot interaction; nonlinear control and decision making; and learning of control, manipulation, and tasks.

NEW! Subarea Spotlights Special Track

The new Subarea Spotlights special track follows up on the successful Best Paper track at IJCAI-11, extending it with overview talks and challenge talks to obtain comprehensive and accessible sessions on the state of the art in each area. As at IJCAI-11, authors of best papers at sister conferences during the past two years will share their talks with the AAAI audience; overview talks ("What's Hot in ...") and challenge talks ("Quo Vadis ...") will be invited from leading researchers in the respective fields. Every speaker will be invited to submit an original paper for publication in the proceedings.

The Twenty-Fourth IAAI Conference on Artificial Intelligence (IAAI)

The Twenty-Fourth Annual Conference on Innovative Applications of Artificial Intelligence (IAAI-12) will focus on successful applications of AI technology. The conference will use technical papers, invited talks, and panel discussions to explore issues, methods, and lessons learned in the development and deployment of AI applications, and to promote an interchange of ideas between basic and applied AI. IAAI-12 will consider papers in two tracks: (1) deployed application case studies and (2) emerging applications or methodologies. Suggested application areas include recommendation systems, health and medicine, embedded systems, entertainment/games, information and knowledge access, security and privacy, finance, energy, transportation, law, and analytics. Please note that the two tracks are judged on different criteria. Authors should consult the IAAI-12 Call for Papers for details. For more information, please visit the IAAI-12 website at www.aaai.org/iaai12.

Third Symposium on Educational Advances in Artificial Intelligence (EAAI)

AAAI is pleased to announce the continuation of the AAAI Symposium on Educational Advances in Artificial Intelligence (EAAI), to be held in conjunction with AAAI-12 in Toronto.

The EAAI symposium provides a venue for researchers and educators to discuss pedagogical issues and share resources related to teaching AI and using AI in education across a variety of curricular levels (K-12 through post-graduate training), with an emphasis on undergraduate and graduate teaching and learning. The symposium seeks contributions showing how to more effectively teach AI, as well as how themes from AI may be used to enhance education more broadly (for example, in introductory computing courses or as a means for teaching computational thinking). We encourage the sharing of innovative educational approaches that convey or leverage AI and its many subfields: robotics, machine learning, natural language, computer vision, and so on. EAAI-12 provides several of paths for participation, including full-length papers (6 pages) and presentations for the symposium; extended abstract or poster contributions (2 pages), highlighting preliminary or ongoing work, or describing an educational innovation proposed to be presented in a demonstration session; Model AI Assignments highlighting innovative ready-to-adopt materials; a workshop for mentoring new faculty, instructors, and graduate students on teaching; an Educational Video track within the AAAI-12 Video program; and a Student/Educator track within the AAAI-12 Robotics Exhibition and Workshop. For more information about the symposium, please visit the AAAI-12 website or write to us at aaai12@aaai.org.

AAAI-12 Workshop Program

AAAI-12 workshops will be held Sunday and Monday, July 22-23, in Toronto, Canada. The cochairs of the AAAI-12 Workshop Program are Michael Beetz, Technische Universität München (michael.beetz@in.tum.de) and Holger H. Hoos, University of British Columbia (hoos@cs.ubc.ca).

ICWSM-12

Submissions Due January 18, 2012

The Sixth International AAAI Conference on Weblogs and Social Media (ICWSM-12) will be held at Trinity College in Dublin, Ireland, June 4-8, 2012. This unique forum brings together researchers from the disciplines of computer science, linguistics, communication, and the social sciences. The broad goal of ICWSM is to increase understanding of social media in all its incarnations. Submissions describing research that blends social science and computational approaches are especially encouraged.

In addition to the usual program of contributed technical talks, posters and invited presentations, the main conference will include a selection of keynote talks from prominent social scientists and technologists. Keynotes will be presented by Andrew Tomkins (Google+), Patrick Meier (Ushahidi!), and Lada Adamic (University of Michigan). The very successful workshop and tutorial programs will continue on the first day of the conference, Monday, June 4.

Please note the following important deadlines for ICWSM-12:

January 6	Workshop Proposal Acceptance
January 9	Tutorial Proposal Submission
January 13	Paper, Poster, Demo Abstract Submission
January 18	Full Paper, Poster, Demo Submission
January 23	Tutorial Proposal Acceptance
February 27	Paper, Poster, Demo Notifications
March 12	Camera Ready Paper Due
June 4-8	ICWSM-12 Conference

For complete submission instructions, deadlines, and other details about the conference, please see www.icwsm.org/2012 or write to icwsm12@aaai.org.

The list of accepted workshops will be available in mid-February 2012 at the AAAI-12 website. Please note that submissions will be due March 30, and final accepted papers must be received no later than May 16.

AAAI-12 Student Abstract and Poster Program

AAAI-12 invites submissions to the student abstract and poster program. The goal of this program is to provide a forum in which students can present and discuss their work during its early stages, meet some of their peers who have related interests, and introduce themselves to more senior members of the field. The program is open to all pre-Ph.D students. Submissions are due February 2, 2012. For more information, please write to AAAI at aaai12@aaai.org, or contact the Student Abstract Cochairs Rudolph

Triebel (University of Oxford, UK, ru-di@robots.ox.ac.uk) and Kristian Kersting (Fraunhofer IAIS, University of Bonn, Germany, kristian.kersting@iais.fraunhofer.de).

AAAI-12 Doctoral Consortium

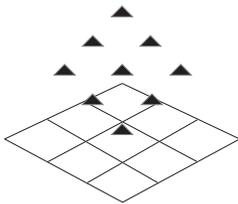
AAAI and ACM/SIGART invite students to apply for the Seventeenth AAAI/SIGART Doctoral Consortium, which will be held as a workshop on July 22-23. The Doctoral Consortium (DC) provides an opportunity for a group of Ph.D. students to discuss and explore their research interests and career objectives with a panel of established researchers in artificial intelligence. The consortium has the following objectives: (1) provide a setting for mutual feedback on participants' current research and guidance on future research directions; (2) develop a supportive community of scholars and a

AAAI Fellows Nominations Solicited

The 2012 Fellows Selection Committee is currently accepting nominations for AAAI Fellow. The AAAI Fellows program is designed to recognize people who have made significant, sustained contributions to the field of artificial intelligence over at least a ten-year period. All regular members in good standing are encouraged to consider nominating a candidate. At least two references must accompany nominations. The nominator or one of the references must be a AAAI Fellow who is a current member of AAAI.

For further information about the Fellows Program or to receive nomination and reference forms, please contact AAAI at 650-328-3123; by fax at 650-321-4457; or by email at fellows12@aaai.org. Nomination materials are also available on the AAAI web site at www.aaai.org/Awards/fellows.php.

The deadline for nominations is February 15, 2012.



2012 Spring Symposium Series

The 2012 Spring Symposium Series will be held Monday - Wednesday, March 26-28 at Stanford University and will feature six symposia on the following subjects:

- AI, The Fundamental Social Aggregation Challenge, and the Autonomy of Hybrid Agent Groups
- Designing Intelligent Robots: Reintegrating AI
- Game Theory for Security, Sustainability and Health
- Intelligent Web Services Meet Social Computing
- Self-Tracking and Collective Intelligence for Personal Wellness
- Wisdom of the Crowd

Registration information is available at www.aaai.org/Symposia/Spring/sss12.php. Please note that the deadline for registration for invited participants is February 3 and the general registration deadline is February 24.

For more information, please write to us at sss12@aaai.org.

spirit of collaborative research; (3) support a new generation of researchers by offering advice about academic, research, industrial, and nontraditional career paths; and (4) contribute to the overall conference goals through interaction with other researchers and participation in conference events. Applications are due February 7, 2012. For more information, please write to AAAI at dc12@aaai.org, or contact the DC cochairs.

Elizabeth Sklar (Brooklyn College, City University of New York, sklar@sci.brooklyn.cuny.edu) and Peter McBurney (Department of Informatics, King's College London, peter.mcburney@kcl.ac.uk) are the cochairs of the 2012 program.

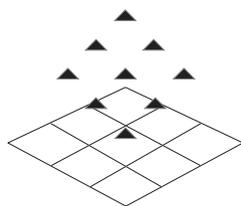
AAAI-12 Conference Volunteer Program

AAAI is pleased to announce the continuation of its Student Volunteer program for 2012. The Student Volunteer program is an essential part of the conference and student participation is a valuable contribution. Volunteers will support AAAI organizers in Toronto. In 2012, a limited number of complimentary technical program registrations will be available for students who volunteer during the conference. Preference will be given to participating students for the volunteer positions. Local students or students not requiring travel assistance can apply for the Volunteer Program if openings are available. AAAI membership is required for eligibility. For further information regarding the Student Volunteer program, please contact AAAI at volunteer12@aaai.org. The deadline for volunteer applications is April 15, 2012.

AAAI also hopes to continue its Student Scholarship program in 2012. Details about this will be posted at the AAAI-12 website as soon as they are available.

2012 Special Award Nominations

AAAI is pleased to announce the continuation of its two special awards in 2012, and is currently seeking nominations for the 2012 AAAI Classic Paper Award, and the AAAI Disting-



2012 Fall Symposium Series

The 2012 Fall Symposium Series will return to the Westin Arlington Gateway in Arlington, Virginia just outside of Washington, DC, Thursday – Saturday, November 2-4. Proposals for approximately eight symposia are now being accepted. Proposals should be sent no later than February 3, 2012 via email to Symposium Committee Chair Matthew Taylor (Lafayette College) at taylorml@lafayette.edu.

For the complete Call for Proposals, please see www.aaai.org/Symposia/Fall/fss12.php.

AAAI Has Moved!

AAAI's new address is
 2275 East Bayshore Road, Suite 160
 Palo Alto CA 94303 USA
Telephone: 650-328-3123 | Fax 650-321-4457

E-mail Address Changes

Please note that AAAI will be modifying its email addresses in 2012 in an effort to reduce the amount of spam that we are receiving. We will be adding 12 to all email addresses, as follows:

aaai12
 aiide12
 aimagazine12
 aitopics12
 fellows12
 fss12
 iaai12
 icwsm12
 info12
 membership12
 orders12
 press12
 sss12
 volunteer12
 workshops12

The number will be updated on an annual basis. AAAI can also be reached by filling out the contact form at www.aaai.org/scripts/Contact/contact.php.

guished Service Award. The 2012 AAAI Classic Paper Award will be given to the author of the most influential paper(s) from the Eleventh National Conference on Artificial Intelligence, held in 1993 in Washington, DC. The 2012 AAAI Distinguished Service Award will recognize one individual for extraordinary service to the AI community. Awards will be presented at AAAI-12 in Toronto, Ontario. Complete nomination information, including nomination forms, is available at www.aaai.org/Awards/fellows.php. The deadline for nominations is March 15, 2012. For additional inquiries, please contact Carol Hamilton at hamilton@aaai.org.

AAAI Gifts Program

It is the generosity and loyalty of our members that enable us to continue to provide the best possible service to the AI community and promote and further the science of artificial intelligence by sustaining the many and varied programs that AAAI provides. AAAI invites all members and other interested parties to consider a gift to help support the open access initiative, as well as the dozens of other programs that AAAI currently sponsors. For more information about the Gift Program, please see www.aaai.org/Forms/donate.php or write to us at donate12@aaai.org.

Visit AAAI on Facebook and LinkedIn

AAAI is on Facebook and LinkedIn! We invite all interested individuals to check out the Facebook site by searching for AAAI. If you are a current member of AAAI, you can also join us on LinkedIn. We welcome your feedback at info12@aaai.org.

Subscribe to the AAAI Announcements List and AI-Alert!

If you are a member of AAAI and would like to receive periodic announcements and reminders about AAAI programs or other noteworthy AI news, please go to www.aaai.org/

AAAI Senior Member Grade of Membership

AAAI is now taking applications from regular members for the 2012 AAAI Senior Member level of membership. This status is designed to recognize members who have achieved significant accomplishments within the field of Artificial Intelligence. To be eligible for nomination for Senior Member, candidates must be consecutive members of AAAI for at least five years and have been active in the professional arena for at least ten years. Applications should include information that details the candidate's scholarship, leadership, and/or professional service.

At least two references, one of which must be written by a AAAI Fellow or a current AAAI Senior Member must accompany the senior member application. References should be submitted by colleagues who know the candidate, and are familiar with their work and accomplishments. Each year a maximum of 25 members will be elected to the Senior status.

All applications and references must conform to the requirements listed on the form, and must be received by 11:59 PM, March 15, 2012.

For complete details and an application form, please see www.aaai.org/Awards/senior.php, or contact Carol Hamilton at seniormember12@aaai.org.

AAAI Fellow Jack Minker Honored

AAAI congratulates AAAI Fellow Jack Minker, who received the 2011 Heinz R. Pagels Human Rights Scientists Award from the New York Academy of Sciences for his work on human rights and scientific freedom of scientists. This award honors scientists for their contributions to safeguard or advance the human rights of other scientists throughout the world.

An internationally recognized leader in the field of human rights of computer scientists, Minker became involved with human rights in 1972 when he was asked to join the Committee of Concerned Scientists (CCS) and to be in charge of finding human rights violations of people in computer science. He has also served as Vice-Chair of the Committee on Scientific Freedom and Human Rights (CSFHR) of the Association for Computer Machinery (ACM). Minker's main efforts in this area occurred between 1974 and the mid 1990s, when Minker led multiple struggles for the release and more humane treatment of members of the Soviet Union scientific community such as Anatoly Shcharansky, cyberneticist Professor Alexander Lerner, and physicist Dr. Andrei Sakharov. As Vice-Chair of CSFHR, Minker wrote about violations in Argentina, Czechoslovakia, South Africa, the Soviet Union, Pakistan, Poland, Rumania, and other countries. He published four reports in the Communication of the ACM listing 300 computer scientists, who had human rights problems in 13 different countries.

Minker's scientific research spans artificial intelligence, deductive databases, logic programming and nonmonotonic reasoning, and he was the first Chairman of the University of Maryland's Computer Science Department. He has performed extensive service for the scientific community, including being the founding journal editor of *The Theory and Practice of Logic Programming*. Among his many awards are the 1996 University of Maryland Presidential Medal and the ACM/AAAI 2005 Allen Newell Award.

cgi-dada/mail.cgi, choose AAAI-Members in the dropdown, enter your email address, and select "subscribe."

AI in the News Is Back!

Check out the latest news stories that mention AI every week at the AITopics home page: www.aaai.org/aitopics (select AI in the News). To subscribe to the mailing list for periodic alerts about AI in the News, please select AI-Alert in the dropdown menu, at www.aaai.org/cgi-dada/mail.cgi.

If your email address changes, please be sure to follow the instructions for unsubscribing at your old address and subscribing at your new address for each of these lists.

AAAI Job Bank

Check out the latest AI job postings at www.aaai.org/Magazine/job-bank.php. Postings may also be submitted at the same site.

New Publishing Opportunities with AAAI Press

AAAI Press is pleased to announce that we are now able to offer potential authors a wider range of publishing opportunities including the possibility of producing e-books and very short print runs, enabling us to publish books to niche markets which would not previously have been financially viable. We therefore are now welcoming proposals from authors for either monographs or edited collections with a well-defined focus. For accepted proposals, AAAI Press is able to offer full production facilities, including cover design, proof reading, and marketing in e-book catalogues and via *AI Magazine* and conference stands. Royalties will be payable once sufficient copies have been sold to cover initial fixed production costs.

Please contact the AAAI Press editor-in-chief via press12@aaai.org or any member of the AAAI Press Editorial Board. Further information can be found at www.aaai.org/press.

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 196,325
Investments	7,070,017
Accounts receivable	14,580
Inventory	111,559
Prepaid expenses	15,274
Deposits	7,516
Total Current Assets	7,415,271
Non-Current Assets	
Equipment, net of accumulated depreciation	14,017
Total Assets	<u>\$ 7,429,288</u>
LIABILITIES	
Accounts payable	\$ 53,729
Accrued vacation	39,187
Funds held in trust for other organizations	224,319
Unearned membership fees	289,402
Other deferred revenues	24,447
Total Liabilities	631,084
NET ASSETS	
Unrestricted	6,798,204
Total Liabilities and Net Assets	<u>\$ 7,429,288</u>

Statement of Financial Position, December 31, 2010.

Association for the Advancement of Artificial Intelligence (A California Nonprofit Corporation) Financial Statements December 31, 2010 with Independent Auditor's Report

Independent Auditor's Report

The Board of Directors
Association for the Advancement of
Artificial Intelligence
Menlo Park, California

We have audited the accompanying statement of financial position of the Association for the Advancement of Artificial Intelligence (a California nonprofit corporation) as of December 31, 2010, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Association for the Advancement of Artificial Intelli-

gence's management. 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 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 be-

lieve that our audit provides 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 Association for the Advancement of Artificial Intelligence as of December 31, 2010, and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co., LLP

Vavrinek, Trine, Day & Co., LLP
Palo Alto, California
May 15, 2011

Revenues	
Program revenues	\$ 1,012,442
Membership fees	366,302
Investment income, net of investment expenses	865,870
Total Support and Revenues	<u>2,244,614</u>
Expenses	
Program services	907,330
Membership services	277,255
Supporting services	<u>394,132</u>
Total program and supporting services	<u>1,578,717</u>
CHANGE IN NET ASSETS	665,897
NET ASSETS, BEGINNING OF YEAR	<u>6,132,307</u>
NET ASSETS, END OF YEAR	<u>\$ 6,798,204</u>

Statement of Activities for the Year Ended December 31, 2010.

	Program Services	Membership Services	Supporting Services	Total
Program Services				
AAAI press	\$ 103,814	\$ -	\$ -	\$ 103,814
Symposium	116,638	-	-	116,638
Tutorials	19,105	-	-	19,105
AAAI/IAAI Technical	353,178	-	-	353,178
Conference service	74,171	-	-	74,171
AIIDE	42,481	-	-	42,481
ICWSM	81,968	-	-	81,968
Exhibits	48,698	-	-	48,698
Grants	29,497	-	-	29,497
Workshop	20,041	-	-	20,041
EAAI	17,739	-	-	17,739
Membership Services				
AI Magazine	-	149,141	-	149,141
Salaries	-	88,948	-	88,948
Employee benefits	-	22,719	-	22,719
Other membership support	-	16,447	-	16,447
Support Services				
Salaries	-	-	111,207	111,207
Employee benefits	-	-	30,023	30,023
Rent	-	-	113,096	113,096
Web development and maintenance	-	-	45,348	45,348
Other operating expenses	-	-	94,458	94,458
Total Expenses	<u>\$ 907,330</u>	<u>\$ 277,255</u>	<u>\$ 394,132</u>	<u>\$ 1,578,717</u>

Statement of Functional Expenses for the Year Ended December 31, 2010.

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 665,897
Adjustments to reconcile change in net assets to net cash provided by operations	
Depreciation	8,181
Unrealized and realized gain on investment	(690,582)
Decrease in accounts receivable	3,281
Decrease in inventory	25,178
Decrease in prepaid expenses	15,839
Decrease in deposit	1,005
Increase in accounts payable	12,403
Decrease in accrued vacation	(4,961)
Increase in funds held in trust	14,594
Decrease in unearned membership fees	(6,360)
Increase in other deferred revenues	8,100
Net Cash Used by Operating Activities	<u>52,575</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of furnishings and equipment	(2,243)
Sale of investments	100,000
Purchase of investments, net of purchases fees	(174,505)
Net Cash Provided by Investing Activities	<u>(76,748)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,173)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>220,498</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 196,325</u>

Statement of Cash Flows for the Year Ended December 31, 2009

Notes to Financial Statements, December 31, 2010

Note #1. Nature of Organization and Significant Accounting Policies

Organization

The Association for the Advancement of Artificial Intelligence (the "Association") was incorporated in the State of California in 1979 as a nonprofit 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 primarily by the *AI Magazine*, the publications of AAAI Press, the AAAI Conference on Artificial Intelligence (AAAI), the Conference on Innovative Applications of Artificial

Intelligence (IAAI), the conference on Artificial Intelligence and Interactive Digital Entertainment (AIIDE), the AAAI Conference on Weblogs and Social Media (ICWSM), the AAAI Spring and Fall Symposium Series, the AAAI Workshop program, AAAI student programs, and a series of AI-related annual competitions and exhibitions, including those on robotics, poker, general game playing, and AI videos. In addition, AAAI awards grants, scholarships, and other honors. Finally, AAAI's World Wide Web Site serves as a central resource for individuals involved in AI research.

Financial Statement Presentation

The Association presents its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the

Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association only has unrestricted net assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. In addition, the Association is required to present a statement of cash flows. As permitted by the statement, the Association does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

Investments

The Association presents its investments in accordance with SFAS No. 124, "Accounting for Certain Invest-

ments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. All investment income and gains are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventories

All inventories are valued at cost, using the weighted average method. The Association's inventories consist of AAAI Press Books and CD ROMs.

Equipment

Equipment is stated at cost, or if donated, at estimated fair value on the date of donation. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight line method based on the assets' estimated useful lives ranging from five to ten years. Depreciation expense for the year ended December 31, 2010, was \$8,181.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. There is no significant estimate during the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts with maturities of less than 90 days.

Income Taxes

The Association is a nonprofit corporation that is exempt from income taxes 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 2010 on earnings from sales of mailing lists and advertising.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs benefited.

Note #2. Investment Securities

Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value. Fair value is determined using quoted market prices (where available), or if not available, estimated fair values are determined based on quoted market prices of financial instruments with similar characteristics. All other investments are carried at the lower of cost or market. Recognized gains and losses on investments are reflected in the statement of activities. Dividends and interest income are recorded during the period earned.

Investment activity for the years ended December 31, 2010 is shown in the Note #2 table on page 13.

Note #3. Market Value of Financial Assets and Liabilities

The Association determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, Fair Value Measurements, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1

Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in

an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2

Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The Note #3 table on page 13 presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2010. The Association did not have any liabilities measured at fair value on a recurring basis as of June 30, 2010.

Realized gains on investments		\$ 14,161
Unrealized gains on investments		676,827
Interest and dividends		174,942
Total investment income		865,930
Investment expenses		(60)
Total investment income, net of expenses		<u>\$ 865,870</u>

Note #2 Table.

ASSETS		Level 1
Common and preferred stocks		\$ 4,967,097
U.S. obligation bonds		1,486,764
Corporation bonds		616,156
Total		<u>\$ 7,070,017</u>

Note #3 Table.

	Beginning of Year	Additions	Deletions	End of Year
Equipment	\$ 78,662	\$ 2,243	\$ -	\$ 80,905
Accumulated depreciation	(58,707)	(8,181)	-	(66,888)
	<u>\$ 19,955</u>	<u>\$ (5,938)</u>	<u>\$ -</u>	<u>\$ 14,017</u>

Note #4 Table.

The Foundation did not have any assets or liabilities recorded at fair value on a nonrecurring basis.

Note #4. Equipment

Property and equipment at December 31, 2010, is shown in the Note #4 table above.

Note #5. Memberships

Annual membership in the Association is \$125 for individuals, \$55 for student members, and \$250 for academic or corporate libraries. The annual membership fees also include a subscription price to the *AI Magazine* of \$40 per year. An additional \$20 postage fee applies to members outside of the U.S. and Canada. Three year, five year, and lifetime memberships are also available. Revenues from membership fees are earned ratably over the respective membership peri-

od. Lifetime membership fees are recognized as income over ten years.

NOTE #6. Pension Benefits

The Association sponsors a pension plan under Section 403(b) of the Internal Revenue Code. The plan is a defined contribution plan. The Association contributes to individual accounts five percent of their salaries for regular, full-time employees who have worked a minimum of two years at AAAI. In addition, AAAI matches employees' contributions up to five percent of their salaries for regular, full-time employees who have worked a minimum of two years at AAAI.

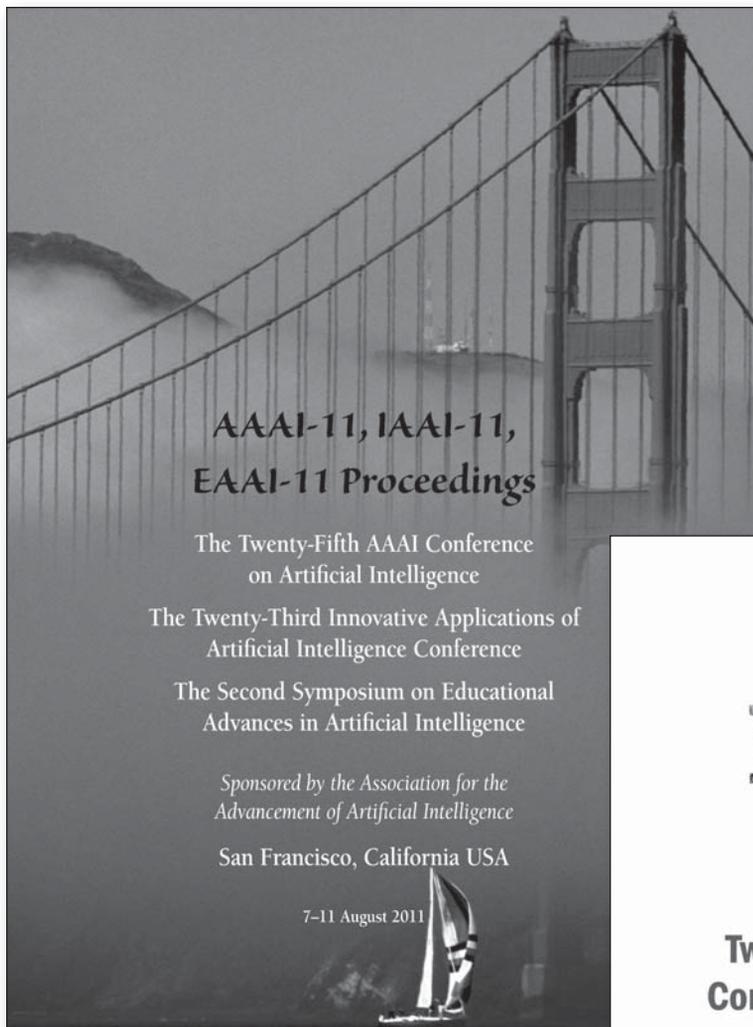
NOTE #7. Related Party Transactions

A business owned by an individual related to a key employee of the Organization provides printing and/or con-

sulting services to the Organization. During the year ended December 31, 2010, the amount paid for those services was approximately \$219,280.

NOTE #8. Subsequent Events

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through April 30, 2010, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.



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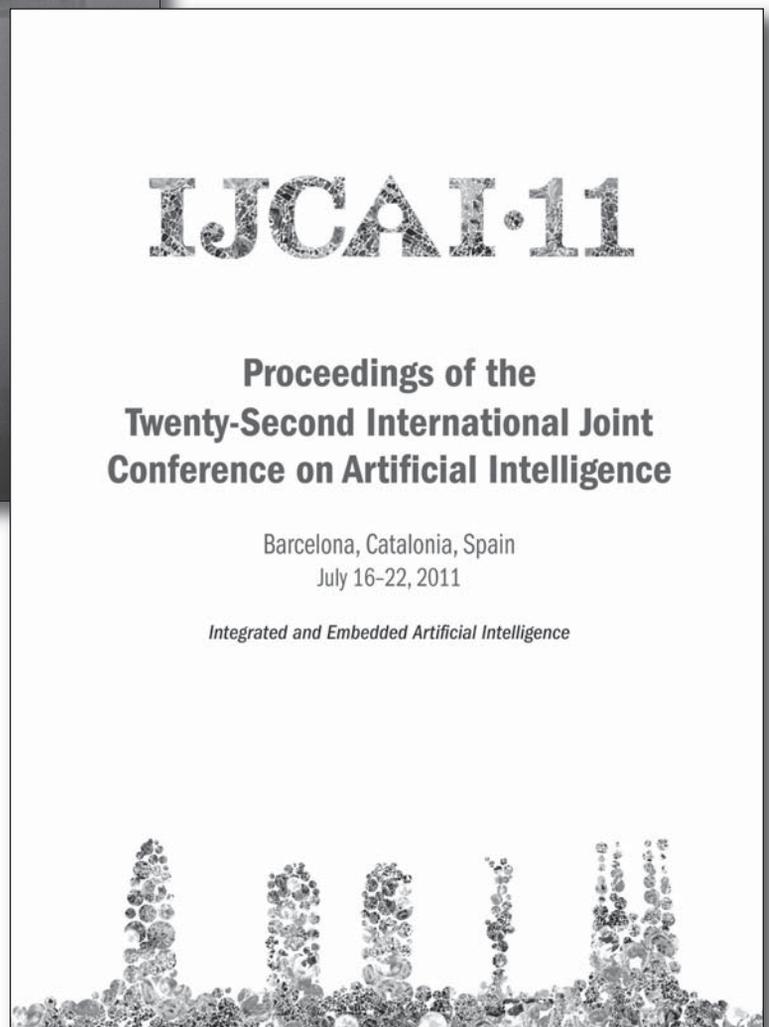
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