

AAAI News

Upcoming Events

15-17 July: IAAI-91 Conference, Anaheim, California

14-19 July: AAAI-91 Conference, Anaheim, California

15-17 November: Fall Symposium Series, Monterey, California

Information about these and other upcoming events will be mailed to members as it becomes available.

Student Volunteers Needed

If you are an undergraduate or graduate student enrolled in a degree program at any college or university and would like to assist the staff members during AAAI-91 in Anaheim, California (14-19 July 1991), please contact Paul O'Rorke or Michael Pazzani at the address given here.

In exchange for assisting AAAI staff members during your volunteer shift, you will receive a complimentary AAAI-91 conference registration, the AAAI-91 conference proceedings, and a special AAAI-91 T-shirt. Our 1991 volunteer coordinators, Paul O'Rorke and Michael Pazzani, can be reached by mail at AAAI, 445 Burgess Drive, Menlo Park, CA 94025 or by e-mail at ncai@ics.uci.edu. All inquiries should include your name, address, telephone, adviser's name, and e-mail address.

AAAI Publications Calendar

Fall *AI Magazine* (September-October 1991)

Advertising and calendar closing: 5 August 1991

Winter *AI Magazine* (November-December 1991)

Advertising and calendar closing: 7 October 1991

Forthcoming AAAI Press Titles

The following 1991 books have or will be published by the AAAI Press:

Innovative Applications of Artificial Intelligence 2, edited by Alain Rappaport and Reid Smith

Automating Software Design, edited by Michael Lowry and Robert McCartney

Knowledge Discovery in Databases, edited by Gregory Piatetsky-Shapiro and William Frawley

Formalizing Musical Knowledge, edited by Otto Lasky, M. Balaban, and K. Ebciözü

Proceedings of the Ninth National Conference on Artificial Intelligence

Proceedings of the Third Innovative Applications of Artificial Intelligence Conference

Abstracts of Theses

Abstracts of Ph.D. dissertations submitted for publication in *AI Magazine* should be limited to 1500 words. Please send abstracts via e-mail to Peter Karp (pkarp@ai.sri.com).



1991 Financial Statement and Auditor's Report

The Board of Directors
American Association For Artificial Intelligence
Menlo Park, California

INDEPENDENT AUDITOR'S REPORT

We have audited the balance sheet of American Association For Artificial Intelligence as of December 31, 1990, and the related statements of income, fund balance, and changes in financial position 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 includes 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, 1990, and the results of operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles.

ROBERT H. BURNHAM
Certified Public Accountant
626 Walnut Street, Suite 213
San Carlos, CA 94070

February 26, 1991

Minutes, Executive Council Meeting
Stanford University
Meeting, March 28, 1991

Participants:

Daniel Bobrow, Bill Clancey, Tom Dietterich, Richard Duda, Robert Engelmores, Ed Feigenbaum, Richard Fikes, Ken Forbus, Mark Fox, Pat Hayes, Barbara Hayes-Roth, John McCarthy, Peter Patel-Schneider, Raj Reddy, Bill Swartout, Marty Tenenbaum, Claudia Mazzetti, and Carol Hamilton.

Danny Bobrow opened the meeting with an announcement regarding the staff changes at AAAI. Claudia Mazzetti, Executive Director, will now focus on long-range and strategic planning for the Association. Carol Hamilton, Managing Director, will handle all the day-to-day activities of the Association, including membership, conference, staff and budget.

Standing Committee Reports

Reports were presented from conference, publications, symposium, finance, workshop grants, scholarship, and Fellows committees.

Conference Committee

Conference Cochair Bill Swartout reported that the collocation of the National Conference and the Innovative Applications Conference will be an experiment, designed to encourage cross-fertilization among the members of the AI community. In addition, the introduction of forums this year at the National Conference will give attendees the opportunity to focus on one of several topics or themes. Shorter talks with meet-the-author sessions at the end of each paper session will provide more time for questions and answers.

He also reported that there was a lower number of papers submitted to the National Conference this year. This was attributed to several factors, including IJCAI, reduced research funding, and paper length restrictions. The self-selection process implemented this year by the program committee was a great success, giving reviewers an opportunity to indicate in advance papers which interested them. It was noted that this was used as only a guideline for program chairs in distributing the papers.

Publications Committee

Bob Engelmores, Editor-in-Chief of the *AI Magazine*, announced that

**American Association for Artificial Intelligence
Balance Sheet**

December 31, 1990

ASSETS

Current Assets:

Cash - Checking	\$	67,058
Cash - Brokerage and money market savings		2,042,243
Investments (Note 3)		4,424,443
Accounts Receivable - Trade		125,594
Inventory		91,330
Prepaid Expenses & Advances		10,342
Prepaid Expenses - Future Events		<u>119,189</u>

Total Current Assets 6,880,199

Furniture, Fixtures & Equipment, Net (Note 1-C) 82,523

Deposits 12,780

\$ 6,975,502

LIABILITIES AND FUND BALANCE

Current Liabilities:

Accounts Payable and Accrued Expenses	\$	4,033
Unearned Exhibit Booth Revenue		144,800
Unearned Membership Fees (Note 4)		<u>292,274</u>

Total Current Liabilities 441,107

Fund Balance 6,534,395

\$ 6,975,502

The accompanying notes are an integral part of this statement.

**American Association for Artificial Intelligence
Statement of Income and Fund Balance
For the Year Ended
December 31, 1990**

Gross Profit (Loss), By Activity:

AI Magazine Revenue	\$	132,779	
AI Magazine Expenses		<u>(219,346)</u>	\$ (86,567)
Memberships Revenue (Note 4)		548,826	
Memberships Expenses		<u>(140,320)</u>	408,506
AAAI Press Revenue		65,626	
AAAI Press Cost of Sales		<u>(29,911)</u>	
AAAI Press Operating Expenses		<u>(24,577)</u>	11,138
Symposium '90 Revenue		89,030	
Symposium Expenses		<u>(68,718)</u>	20,312
IAAI Conference 1990		53,550	
Conference Expenses		<u>(172,992)</u>	(119,442)
NTU Tech U. Revenue	\$	5,830	
NTU Expenses		<u>(3,600)</u>	2,230

AAAI '90 Technical Program Revenue	754,971	
Technical Program Expenses	\$ (570,405)	\$ 184,566
AAAI '90 Tutorials Revenue	598,690	
Tutorials Expenses	(267,920)	330,770
AAAI '90 Exhibits Revenue	462,650	
Exhibits Expenses	(256,613)	206,037
Interest and Dividend Income		446,435
Loss on Sale of Securities		(322,590)
Management Fees and Commissions		(50,707)
AI Journal Revenue, Net		240
Other Publications		1,866
Royalty Income & Reprint Permissions		6,141
Grants & Scholarships Expended		(130,738)
Prior Years Conferences, Tutorials & Symposiums Received in 1990		4,844
Gross Profit, Combined		913,041
Unallocated Operating Expenses		(366,348)
Net Income		546,693
Fund Balance - Beginning of Year		5,987,702
Fund Balance - End of Year		\$ 6,534,395

The accompanying notes are an integral part of this statement.

**American Association for Artificial Intelligence
Statement of Changes in Financial Position
For the Year Ended
December 31, 1990**

Financial resources were Provided By:	
Net income	\$ 546,693
Add: Expenses not using working capital:	
Depreciation	41,523
Working Capital provided from operations	588,216
Financial Resources were Used For:	
Increase in furniture, fixtures & equipment	(5,885)
Increase in deposits	(2,200)
Increase in Working Capital	\$ 580,131
<i>Analysis of Changes in Working Capital:</i>	
Increase (Decrease) in Current Assets:	
Cash & investments	\$ 212,801
Accounts receivable	80,352
Prepaid expenses & Advances	34,995
Inventory	47,486
<i>(Increase) Decrease in Current Liabilities:</i>	
Accounts payable & accrued expenses	4
Due to IJCAI, Inc.	357,413
Unearned exhibits revenue	(144,800)
Unearned membership fees	(8,120)
Increase in Working Capital	\$ 580,131

The accompanying notes are an integral part of this statement.

Elaine Rich and Ramesh Patil have agreed to assume his responsibilities at the end of 1991, and will be Associate Editors of the *AI Magazine*. Should this transition require more time, Bob will stay as long as needed. The recent Special Issue of the magazine was a success, and these Special Issues may continue to be produced as needed.

Bill Clancey, Editor-in-Chief of the AAAI Press, reported that there had been seven reviews of book proposals with two acceptances. He also reported that progress was being made toward publication of *AI Journal* Special Issues under the joint AAAI Press/The MIT Press imprint.

Symposium Committee

Peter Patel-Schneider, Symposium Chair, reported that this year's symposium was again successful, although there had been a slight drop in attendance. This was due largely to the absence of AI in Medicine, and an emphasis by some symposium organizers on small attendance. It was agreed that having AIM, and possibly AI in Manufacturing in alternate years, will help to sustain the Spring Symposium Series as self-supporting.

The Fall Symposium Series will be held at Asilomar in Monterey, California in 1991. An East Coast site will be selected for 1992.

Peter also announced that he will be resigning after the 1992 Symposium and is currently seeking a replacement.

Finance Committee

In the absence of Secretary-Treasurer Bruce Buchanan, Danny Bobrow presented the financial report. It was noted that revenues are down compared to 1990 for several cost centers, including membership, exhibits, and symposium. The Association's new investment policy has been very successful, and will support programs through lean periods. However, it was noted that it is the stated policy that programs should break even. The *Directory* may become a bi-annual publication to accomplish this. The grant budget, however, should rise each year with inflation.

Workshop Grants

Workshop grants continue to be a maximum of \$10,000. Recent restrictions have discouraged applications

for these grants. It was agreed that guidelines are needed to return to the original intent of the workshop grant program. A motion was made and carried that these guidelines will be drawn up for the incoming Workshop Chair.

Scholarship

Barbara Hayes-Roth, Scholarship Chair, will draft a new set of guidelines for the student scholarship program, reflecting the expansion of the program to foreign applicants. A motion was made and carried to increase the current fund by \$10,000 for foreign students.

Fellows

Raj Reddy said that the Fellows Selection Committee for 1991 has been formed. It includes the following people: Ruzena Bajcsy, Woody Bledsoe, Mike Brady, Bruce Buchanan, Barbara Grosz, John McDermott, Judea Pearl, Raj Reddy (chair), Marty Tenenbaum, and Patrick Winston.

Old Business

Ken Forbus gave an update on the progress of the Software Library. The legal ramifications of such an enterprise are currently being studied.

New Business

Ed Feigenbaum stressed the importance of the development of a congressional report on the state of AI. The David Report, a similar report by mathematicians, will be an agenda item for the Executive Council meeting in July.

A proposal for the recommendation and distribution of journals by AAAI was submitted and approved. The proposal expands the list of journals offered to the AAAI membership from one, *AI Journal*, to a larger set whose focus spans both basic and applied research. The *Journal of Machine Learning* will be the first addition to the AAAI list.

Conference workshop fees were reexamined. The registration fee will rise to \$100 per workshop in 1992 for individuals attending workshops only. Those attending the technical conference will not be required to pay an additional fee.

Wendy Lehnert expressed the concern that the Cognitive Modeling area of AI is not well represented among the AAAI-91 papers. An individual from this area will be invited to speak at the conference.

American Association for Artificial Intelligence Notes to Financial Statements December 31, 1990

Note 1: Summary of Significant Accounting Policies

A. Method of Accounting:

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

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, 1990.

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, 1990:

Cost	\$ 236,809
Accumulated depreciation	<u>(154,286)</u>
Net	\$ <u>82,523</u>

D. Income Taxes:

American Association For Artificial Intelligence is exempt from income taxes on its earnings 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 1990 on earnings from sales of mailing lists and advertising.

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*, *AI Journal*, and other AI related publications, AAAI sponsored National Conference (NCAI), Conference on Innovative Applications For Artificial Intelligence (IAAI), NTU University Tutorials, Symposium Series, and the AAAI Workshop Program. In addition, AAAI grants monies to outside institutions and individuals.

Note 3: Investments as of December 31, 1990

	Original Cost	Market Value 12-31-90	Net Unrealized- Gain(Loss)
Held by Bank Of Calif. as Custodian (1):			
U.S. Treasury Notes:			
Due within one year	\$ 98,719	\$ 101,219	\$ 2,500
One to five years	1,090,078	1,119,294	29,216
Seven years	<u>297,562</u>	<u>307,593</u>	<u>10,031</u>
Total U.S. Obligations	\$ <u>1,486,359</u>	\$ <u>1,528,106</u>	\$ <u>41,747</u>

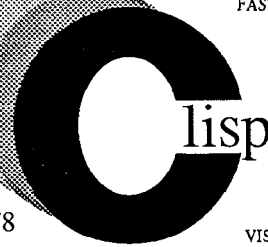
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Common Stocks (By Industry):

Aerospace	\$ 59,132	\$ 51,047	(8,085)
Banks	56,978	57,875	897
Specialty chemicals	118,345	129,200	10,855
Drugs	312,442	388,869	76,427
Electronics	186,131	149,775	(36,356)
Entertainment	57,508	50,750	(6,758)
Finance companies	121,426	108,938	(12,488)
Health care	60,379	69,000	8,621
Insurance	57,382	57,656	274
Machinery & equipment	266,686	250,613	(16,073)
Software & service	235,971	208,081	(27,890)
Petroleum	58,733	58,450	(283)
Retail	235,911	186,550	(49,361)
Services	60,312	54,250	(6,062)
Textile	61,750	59,500	(2,250)
Miscellaneous industries	<u>358,998</u>	<u>398,034</u>	<u>39,036</u>
Total Common Stocks	<u>2,308,084</u>	<u>2,278,588</u>	<u>(29,496)</u>

Held through Dean Witter Reynolds:

Certificates of Deposits (2):

Due within one year	360,000	360,000	—
One to five years	<u>270,000</u>	<u>270,000</u>	—

Total C.D.'s	<u>630,000</u>	<u>630,000</u>	—
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Total Investments	\$ <u>4,424,443</u>	\$ <u>4,436,694</u>	<u>\$12,251</u>
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(1) Investments held by the Bank Of California as custodian are being managed by Harris, Sullivan & Smith, Inc., according to investment guidelines stressing income and growth, with capital preservation for approximately \$2 million of the account.

(2) The certificates of deposits are expected to be held to maturity. The original cost and market value at December 31, 1990 are stated at cost.

Note 4: Memberships

Annual membership in the American Association For Artificial Intelligence is \$40 for individuals, \$20 for student members, and \$60 for academic/corporate library subscriptions. \$25 is added to the above for foreign members. Three and five year memberships are also available. All revenue from memberships is included in the AI Memberships gross profit center. Revenues from membership fees are earned ratably over the respective membership period.