

Association Affairs

AAAS Finances: Report for 1960

The 1960 income of the Association for normal and continuing operating expenses amounted to \$1,394,291. This income came from the following sources (throughout this report, each figure has been rounded to the nearest whole dollar):

Annual dues paid by members	\$ 457,957
Money transferred from Investment Account to pay for subscriptions for emeritus and life members	9,240
Subscriptions to <i>Science</i> by nonmembers	82,630
Sales of single copies and back issues	3,613
Advertising in <i>Science</i>	588,337
Sales of symposium volumes	92,359
Annual meeting: registration fees, exposition space, advertising in program, and contributions	69,624
Income from investment of funds not needed in checking account	23,505
Rental income from third floor and garage	18,936
Allowance for expenses incurred in administering grants	38,127
Miscellaneous receipts	9,964
Total	\$1,394,291

These receipts amounted to \$175,305 more than the operating expenses, which were as follows:

Printing and editing <i>Science</i>	\$ 652,157
Cost of selling advertising in <i>Science</i>	147,334
Cost of symposium volumes sold during the year	60,769
Expenses of the annual meeting	54,770
Allowances (\$1 per member) to Pacific, Southwestern and Rocky Mountain, and Alaska Divisions	9,255
Expenses of AAAS sections	4,149
Board of Directors' meeting	6,789
Meeting of committees	6,680
Administrative and general expenses	47,397
Business office: salaries and other expenses	114,277
Circularization of new members (exclusive of salaries)	18,443
Building maintenance	34,972
Interest on mortgage	5,145
Real estate taxes	13,548

Depreciation allowance on building	23,519
Depreciation allowance on equipment	9,204
Miscellaneous other expenses	10,578
Total	\$1,218,986

In addition to the excess of income over expenses of \$175,305, the table of expenses shows that \$32,723 was set aside as a depreciation allowance for building and equipment.

Comparison of 1960 with 1959

Receipts for 1960 were \$209,797 greater than for 1959. Approximately 70 percent of the increase came from increased revenue for advertising in *Science*. There were also increases in the number of dues-paying members, the number of subscriptions to *Science*, the sale of symposium volumes, and receipts from the annual meeting. The only major decline was in money transferred to the general budget for the management of special projects supported by grants or contracts. Expenses for 1960 exceeded expenses for 1959 by \$180,510. The increase was spread over a number of items, of which the three largest were the printing and editing of *Science*, the sale of advertising space in *Science*, and the cost of symposium volumes.

In 1960 the excess of income over expenses (\$175,305) exceeded the 1959 excess by \$29,288.

Receipts for the year exceeded the amount budgeted at the beginning of 1960 by \$163,091, and expenses exceeded the budget by \$70,342. The excess of income over expense was \$92,749 greater than had been anticipated at the beginning of the year.

Grants Administered during 1960

Grant and contract funds held over from earlier years or received during 1960 totaled \$730,737. Total expenses under these grants and contracts amounted to \$418,467, leaving a balance at the end of 1960 of \$312,270.

As has been the case for several years, the largest program operated on grant funds was the School Libraries

Program, under which traveling libraries of science books are sent to about 1700 high schools and 800 elementary schools each year. This program, which has been in existence since 1955, has passed its peak and will be terminated or greatly curtailed in the next year or two. During 1960 the Association received \$296,090 from the National Science Foundation for continuation of this program. Expenses for the year and a deficit at the beginning of the year left a balance at the end of 1960 of \$102,125, applicable to costs to be incurred during the remainder of the 1960-61 academic year.

The second largest grant-supported program is the Science Teaching Improvement Program, with funds provided by the Carnegie Corporation of New York. In December of 1960 the Association received the final payment, of \$83,333, from this grant. That amount plus a carry-over of \$103,655 from 1959 and less expenses of \$91,060 for the year left a balance of \$95,927 at the beginning of the final year of this Carnegie-supported program for the improvement of science education.

The program of selecting high school teachers to be awarded graduate fellowships by the National Science Foundation was, as in earlier years, supported by a contract with the National Science Foundation. The expenses of \$40,422 were exactly balanced by contract payments of that amount.

A study of the certification of high school teachers of science and mathematics conducted by the National Association of State Directors of Teacher Education and Certification under AAAS sponsorship and supported by a grant from the Carnegie Corporation expended \$50,516 of the \$78,957 remaining in the budget. The amount left for conclusion of the study during 1961 was \$28,441.

At the beginning of 1960, the Association held \$24,084 as the excess of gifts and grants over expenses of the International Oceanographic Congress held in September 1959. Each foundation, government agency, or industrial company that had made a gift or grant in support of the Oceanographic Congress was asked during 1960 whether the prorated portion of this surplus should be returned or should be held in a special account to be made available in support of further work in oceanography consistent with the general purposes for which the grant or gift had been made. Refunds amounting to \$5714 were re-

quested, leaving \$18,370 still in the account. This amount is being held by the Association pending decision as to its later use. The International Council of Scientific Unions has been informed that, should plans be made for a second international oceanographic congress, this amount might be made available to the sponsors as a start toward the funds that would have to be collected.

An Asia Foundation grant to pay the AAAS membership dues of scientists in Asian countries and to provide travel grants to enable Asian scientists in the United States to attend the AAAS annual meeting included \$1628 at the beginning of the year. All but \$12 of that amount was spent during 1960.

Under another grant from the Asia Foundation, the Association started the year with a balance of \$2170 for the purpose of sending science books to selected libraries in Southern Asia. The amount was wholly spent.

The Westinghouse Educational Foundation grant of \$7500 to support the annual \$1000 prizes for excellence of science writing in newspapers and magazines was wholly expended, leaving a zero balance at the end of 1960.

A new grant of \$30,000 from the National Science Foundation was received to carry out a study of the qualifications of a sample of high school teachers of science and mathematics. Of this, \$3920 was spent during 1960, with the remainder (\$26,081) available for 1961, when the bulk of the work was to be done.

Another new grant from the National Science Foundation, for the purpose of holding several conferences and exploring the feasibility of a major effort to improve the content of science instruction in the elementary and junior high school grades, amounted to \$42,000. Only \$716 was spent during the year, with the remainder available for 1961.

A third new grant from the National Science Foundation provided \$29,925 to be applied toward the expenses of the Symposium on the Sciences in Communist China that was presented at the 1960 annual meeting. All but \$30 of the grant was expended during 1960.

Investment Account

The Association's investment portfolio includes funds received as gifts and bequests for endowment purposes or for such purposes as support of the annual Newcomb Cleveland Prize; the endowment funds of the Gordon Research Conferences; and some money

from the general operating budget that is in excess of operating requirements and that is therefore transferred to the jurisdiction of the Committee on Investment and Finance. At the end of 1960, the investment portfolio at current market prices amounted to \$926,882, divided as follows:

U.S. Government bonds and notes	\$191,270
Canadian Government bonds	35,600
Industrial bonds	186,600
Preferred stocks	36,635
Common stocks	476,777
Total	\$926,882

The total is \$111,050 above the cost figure of \$815,832. It includes \$40,211 held for the Gordon Research Conferences and \$253,987 from the Association's general operating account.

During the year the Association received dividends and interest on the investment account of \$31,143 and suffered a loss from the sale of securities of \$204; the balance, \$30,939, was distributed as follows:

For investment counsel and cost of servicing securities	\$ 2,958
To endowment, reserve, and prize funds	18,263
To current account	8,077
For Gordon Research Conferences, Inc.	1,641
Total	\$30,939

The \$8077 "to current account" represents part of the \$23,505 shown in the first table as income from investments. The remainder of the income from investments in that table represents interest on short-term investment of operating funds temporarily invested in Treasury bills or in savings and loan association accounts.

The dividends and interest of \$31,143 represented a return of 3.36 percent on the market value of the securities held and of 3.82 percent on their cost value.

From income and principal of the several endowment funds, the following major deductions were made:

Transfer to operating fund for life and emeritus memberships	\$9,240
Grants to academies of science	9,228
Award and expense of Newcomb Cleveland Prize	1,350
Award and expense of Socio-Psychological Prize	1,350

The total of these figures, \$21,168, is \$2905 greater than the investment income of \$18,263 credited to the endowment, reserve, and prize funds. There was, however, during the year a

total of \$7900 received for new life memberships and credited to the endowment funds. The endowment funds therefore increased by \$4995 during the year.

Consolidated Balance Sheet

At the end of 1960, the consolidated balance sheet of the Association, which includes both operating and investment funds, showed the following assets:

Cash on deposit	\$ 234,044
Investments at quoted market price (including not only the "investment" account but also operating funds invested in short-term government securities)	1,622,143
Land	115,875
Building (less depreciation)	676,176
Equipment (less depreciation)	68,319
Money owed to the Association	75,454
Inventory of symposium volumes	54,159
Deferred expenses	578
Total	\$2,846,747

These assets were partially offset by the following liabilities:

Prepaid dues and subscriptions for which members and other subscribers had not received <i>Science</i> or other services	\$ 418,742
Unexpended balance of grants from National Science Foundation, Carnegie Corporation, and others	312,270
Academy grants allocated but not as yet disbursed	9,848
Accounts payable to others	132,393
Remainder of mortgage on building payable in 5½ years	105,281
Retirement reserve	3,987
Held for Gordon Research Conferences	40,211
Total	\$1,022,731

The difference between assets and liabilities represents the Association's net worth. At the end of 1960 the net worth was distributed as follows:

Endowment funds:	
For research	\$ 216,993
For general purposes (used to pay subscription costs for life and emeritus members)	230,259
For the Newcomb Cleveland Prize	29,652
For the Socio-Psychological Prize	30,959
For creating emeritus life memberships	4,674
Association funds invested in land, building, and equipment	860,369
Unallocated reserve	340,060
Unrealized appreciation in value of securities	111,050
Total	\$1,824,016

During 1960 the Association's net worth increased by \$212,276.

Auditor's Report

At the end of 1960, the Association changed its method of handling the annual financial statement. In previous years the Association's own staff has prepared an "unofficial" balance sheet and record of financial transactions. Sometime later in the year, usually in May or June, the Association's auditor, G. P. Graham and Company, has prepared a separate account. In previous years the figures presented in the published statement similar to this one have been taken from the auditor's account.

All of the figures given in this report have been drawn from the financial statement prepared by the Association's accounting department. The auditor has reviewed that statement and has suggested that five of the many figures in the full and detailed account from which the present report is drawn should have been larger and five should have been smaller. Most of these discrepancies are due to the fact that income or expense items applicable to 1960 were not received until after the financial statement for the year had been completed. The cumulative effect of these ten changes would have been

to increase the excess of income over expenditure by \$1524. This amount will be shown in the 1961 statement and annual report as an adjustment for prior years.

The discrepancies resulting from this change are not serious. The review by the auditor of the Association's financial accounts upon which the above report is based concluded with the statement: "In our opinion the accompanying statements present fairly the financial position of the American Association for the Advancement of Science as at 31 December 1960, and the results of its operations for the year ended on that date, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Respectfully submitted, G. P. Graham and Company, by G. R. Bowers."

DAEL WOLFFLE

*American Association for the
Advancement of Science*



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BETTER THINGS FOR BETTER LIVING...THROUGH CHEMISTRY

Southwestern and Rocky Mountain Division

The Southwestern and Rocky Mountain Division of the American Association for the Advancement of Science held its 37th annual meeting in Tempe, Arizona, 16 to 20 April 1961. Meeting jointly with the division were the Arizona Academy of Science and District 3 of the Western Region of Beta Beta Beta.

At general sessions of the meetings Dael Wolffe, executive officer of the AAAS, gave the John Wesley Powell memorial lecture on "Developing talent"; P. C. Duisberg presented an illustrated discussion on the arid lands of South America; William H. Woodin presented his address as retiring president of the Arizona Academy of Science, on "A voyage to Galapagos"; and Alan T. Wager, retiring president of the Southwestern and Rocky Mountain Division, spoke on "Changing values in teacher training in the sciences."

There were special symposia of invited papers as follows: "Ecology of Ground Water in the Southwest" (under the sponsorship of the divisional committee on desert and arid zones research); "Improvement of Science Teaching" (sponsored by the divisional committee for improvement of science teaching); "Arizona's Popula-