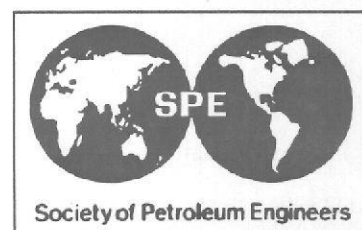


AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS, INC.

1992 ANNUAL REPORT



TMS
Minerals • Metals • Materials



AMERICAN INSTITUTE OF MINING, METALLURGICAL,
AND PETROLEUM ENGINEERS, INC.

1992 Annual Report

One hundred and twenty-first year
December 1, 1991 - November 30, 1992



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A Founder Society of the
United Engineering Trustees, Inc.

Established in 1914 for
American Society of Civil Engineers
American Institute of Mining, Metallurgical and Petroleum Engineers
American Society of Mechanical Engineers
Institute of Electrical and Electronics Engineers
American Institute of Chemical Engineers

Report of the President



Roshan B. Bhappu, President-1992
American Institute of Mining,
Metallurgical and Petroleum Engineers

Last year, 1991 AIME President Milton E. Wadsworth reported on the successful developments of two major activities: *Transformations* Project of the Public Issues Committee and Global Climate Change Statement of the Committee on Energy and Environment. I am pleased to report to the AIME Member Societies and their members on the significant progress of these two projects and on other developments. Both projects reached their implementation stages during 1992; these and other activities confirm our ability to develop and execute meaningful projects and to preserve AIME's long standing traditions.

Another Successful Annual Meeting

A highly successful AIME Annual Meeting was held in San Diego in March hosted by The Minerals, Metals and Materials Society (TMS). The AIME Keynote Session, chaired by 1993 AIME President-Elect G. Hugh Walker, featured three distinguished speakers, was very well received. The annual banquet served to recognize the recipients of Honorary Membership as well as the other prestigious AIME Awards. An account of the 121st Annual Meeting may be found on page 8, followed by the names of the award winners.

The Tradition Continues — 1994 and beyond

The AIME Board of Trustees continued to address the matter of location of future AIME Annual Meetings. At its 1992 meeting in San Diego, the Board accepted an invitation for the Iron and Steel Society (ISS) to host the 1994 AIME Annual Meeting in Chicago, and at its August meeting, a long term solution was adopted. The AIME Board of Trustees agreed that the Society for Mining, Metallurgy and Exploration (SME) will host the AIME Annual Meeting, in 1995 and all years beyond, with TMS hosting the Annual Meetings every fourth year commencing in 1996. I thank all Member Societies who have so graciously hosted AIME, and acknowledge with gratitude SME and TMS cooperation in planning for the future.

Making a Difference in Education with *Transformations*

The *Transformations* Project successfully reached implementation and a marketing campaign was initiated early in 1992; with distribution of the eight videotapes and teacher's guides to 50 pilot schools, direct marketing to the educational community through press releases, advertisements and direct sales at convention exhibits and workshops. This has resulted in very positive responses and well placed product distribution to allow for effective integration of the *Transformations* Series into the science curricula of grades 6 through 9. I congratulate Dr. Frank V. Nolfi, Jr. and his committee on their continued accomplishments.

Also, in the spring of 1992, a grassroots campaign strategy was developed to afford individual members of AIME Member Societies to distribute the *Transformations* Series directly to local schools. In conjunction with this effort, AIME provided 20 sets of *Transformations* to each Member Society at no cost, and I am pleased to report that each Society has subsequently launched its own campaign. Also WAAIME contributed time, energy and ideas in developing their own program. I commend the Societies and WAAIME on their initiatives.

In addition, AIME has joined the organization known as ENGINEERS FOR EDUCATION (E4E). E4E was founded by AAES (American Association of Engineering Societies) as a separate organization whose mission is to see the U.S. become second to none by the year 2000 in math and science. It is targeted at grades K-12. We view E4E as becoming an additional distribution channel for AIME *Transformations* product by using E4E's database of volunteers.

Making a Statement on Global Climate Change

The AIME ad hoc Committee on Energy and the Environment also reached an important milestone with the development of a Statement on Global Climate Change. Upon Board approval, I've sent this statement to a number of individuals including some 123 opinion leaders from the National Academy of Engineering and the Executive and Legislative Branches of the U.S. Federal Government. The response to date has been positive. I wish to thank Chairman Arlie Skov and his committee for a job well done and hope that AIME will continue to develop statements on issues of legislative importance to the National Resources community.

Is there an AIME Role in Governmental Affairs?

This leads me to report the establishment of an ad hoc All Institute Government Affairs Committee. This Committee, composed of two representatives from each of the Member Societies and chaired by Dr. Thomas V. Falkie, is charged with developing a set of recommendations including resource requirements that will consider a number of alternatives, including the rejoining of the American Association of Engineering Societies (AAES), and will discuss with the Member Societies a plan whereby AIME would represent the AIME and the Member Societies in AAES. The Committee has met and is prepared to submit its recommendation at the Reno Board Meeting.

Our Inter-Society Affairs...Better than ever

AIME continues its effective involvement in the governing of the United Engineering Trustees (UET) with members of AIME Member Societies serving as AIME representatives on the Boards of the UET and its entities.

The Institute also retained its relationship with the Accreditation Board for Engineering and Technology (ABET), as an Affiliate Body and is represented by its Executive Director, who serves as an official observer at ABET Board Meetings.

I am also pleased to report our continued interaction with the Founder Society officers and Executive Directors on matters of common interest. I've found this interaction has provided the President-Elect, the Executive Director and myself with an important opportunity to become aware of the broad spectrum of issues as they affect the engineering profession.

AIME and AusIMM (Australasian Institute of Mining and Metallurgy) have had a long standing exchange program of distinguished lecturers from both countries taking turns each year visiting each other's country. During November I had the distinct pleasure to represent AIME in this exchange program by visiting six branches of AusIMM and delivering five different technical lectures of interest to each audience. Accompanied by the Executive Director, we also had the opportunity to introduce

Transformations, renew old bonds and establish new relationships between AIME and AusIMM.

How about our Finances?

You are invited to review the audited financial statement for the AIME Corporation, for fiscal year 1992 (ending November 30), contained on pages 16-24 of this report. Despite the less than favorable economic climate this past year, AIME assets increased moderately from \$10,456,891 at the end of the previous fiscal year to \$11,111,599 at the end of FY92. Therefore we continue to build the financial resources required to undertake programs in support of the Member Societies and their members, and to protect against the effects of inflation.

New Guy on the Block

At the Annual Meeting in San Diego President Wadsworth introduced our new Executive Director, Alfred Weiss, succeeding Robert H. Marcrum who, for health reasons, was placed on permanent disability. Al started on March 19, 1992 and I've had the opportunity to work with him for my entire presidential year. I believe the *new guy on the block* will do just fine. I take this opportunity to thank Larry Kuhn and members of his Search Committee for their efforts in finding and selecting the fifteenth chief staff officer of the Institute Headquarters and express a special thanks to Alex Scott who so ably served as Interim Executive Director.

What's Next —1993-1997

The year 1992 also saw the development of a 5-year Implementation Plan for AIME. This Plan, submitted in draft form to the AIME Board at its Santa Fe August Meeting, is based on AIME's 1987 Long Range Plan. Based on our long range goals and objectives, it recommends a series of action items for implementation over the next 5 years in key areas including education, government affairs and preservation of AIME's traditions. I applaud this continued effort to develop meaningful roles for AIME and look forward to the recommendations of the AIME ad hoc Committee charged to study the Plan.

Auld Lang Syne

It has been an honor for me to serve as your AIME President, to have had the opportunity to associate with and be assisted by many fine people who comprise the AIME family; and to have had the privilege to represent AIME at many occasions. I reflect with great affection on my visits to the local sections and on the opportunity to firm up AIME's ties with its Member Societies.

I extend my sincere appreciation to the AIME Board of Trustees, the Society Boards of Directors, the staffs of AIME and the Member Societies, committee members and others for their dedicated support during the past year. I also congratulate and pledge my full support to 1993 President G. Hugh Walker and the new Board of Trustees all of whom are depicted on the following pages.



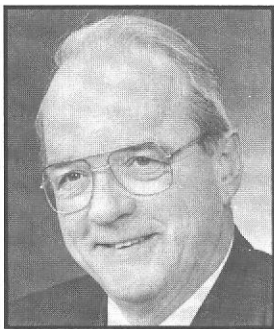
AIME



OFFICERS AND TRUSTEES 1993

OFFICERS

PRESIDENT AND TRUSTEE



G. Hugh Walker received his Bachelor's degree in Civil Engineering from Queen's University (Canada) in 1954 and his Master's in Business Administration from the University of Western Ontario in 1959. Mr. Walker joined Dofasco that same year and worked in the Engineering Department until 1961 and in Mechanical Maintenance until 1963. He then held the following positions in the Coke and Iron Division: Engineer, Division Foreman, Superintendent, and Manager. In November 1991, he became Works Manager; in September, 1992, was named Vice President, Manufacturing. Mr. Walker received the Ironmaking Conference Award in 1974, the Sidney Gilchrist Thomas Medal in 1976, and the T. L. Joseph Award in 1986. He was Chairman of the Ironmaking Division in 1982 and served on the Society's Board of Directors from 1981-1983. In 1985-86, he served on the AIME Board and in 1986 was President of the Iron and Steel Society. Mr. Walker was named an ISS Distinguished Member in 1989.

PRESIDENT-ELECT AND TRUSTEE



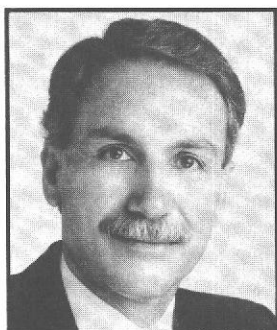
Noel D. Rietman has been Senior Vice President, Production, with Maxus Energy Corp. since 1989. He joined the firm's predecessor, Diamond Shamrock Exploration Co., in 1957 as a junior engineer, subsequently becoming Chief Petroleum Engineer, Manager of Drilling & Production; Vice President and General Manager, Northern Division; and Group Vice President, Continental U.S. A graduate of Texas Tech University with a B.S. in Petroleum Engineering and a B.A. in Geology, he also holds an M.S. in Mathematics from West Texas State University. A Distinguished Member of SPE, Mr. Rietman has served SPE on numerous committees, as Amarillo Petroleum Section Chairman, and as President of the Society in 1987. He has been an SPE Foundation Trustee since 1987 and currently serves as Vice President. Mr. Rietman served on the AIME Board in 1982-85 and was the 1991 Chairman of the AIME Distinguished Service Award Committee.

PAST PRESIDENT AND TRUSTEE



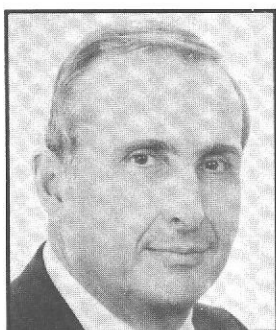
Roshan B. Bhappu is President of Mountain States R & D International, Inc. in Tucson, Arizona. He received his Met.E., M.S. and D.Sc. from the Colorado School of Mines and is a registered Professional Engineer in Arizona and New Mexico. Dr. Bhappu began his career with Miami Copper Company, Miami, Arizona. Five years later he joined the New Mexico Institute of Mining and Technology in Socorro. During his fourteen-year tenure at New Mexico Tech, he acted as the Senior Metallurgist of the New Mexico Bureau of Mines, Head of the Metallurgy Department, and Vice President of the New Mexico Tech Research Foundation. In 1972 Dr. Bhappu joined Mountain States Mineral Enterprises, Inc. to initiate the Mountain States Research and Development Division which was spun off as a separate company in 1987. He has authored more than 100 publications and has been co-editor of several SME books. Dr. Bhappu has been very active in Society affairs and has served as the Chairman of the MPD and a Director of SME. He is a Distinguished Member of the Society and recipient of the Robert H. Richards Award of AIME. Dr. Bhappu was 1990 President of SME.

PRESIDENT-ELECT DESIGNATE AND TRUSTEE

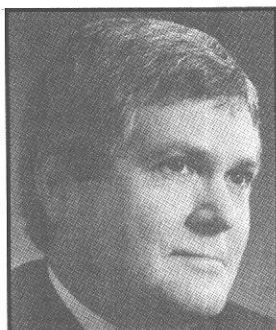


Frank V. Nolfi, Jr. co-founded Beacon Venture Management Corporation in 1990 and is a Managing Director. He is a Director of Blue Oak Materials Corporation and Li Technology, Inc., is on the Advisory Board of Materials and Processing Report, is the TMS representative to the Federation of Materials Societies, and is Chair of the AIME Public Issues Committee, which has produced *Transformations*, a video-based supplement to middle-school science education. He was Vice President-Technology for Alcan Aluminum Corporation in 1988-90. While at Alcan, he was also Chairman of Technical Ceramics Laboratories (TCL) and served on the Boards of Advanced Forming Technology, Inc., TCL, Manlabs, C-Axis Technologies and Co-Spray, and was technical liaison between Alcan and Duralcan Corporation, Lanxide Corporation, Alanx Corporation and Superconducting Technology, Inc. From 1983-88 he managed DOE's Metallurgy and Ceramics Program, and has held research and management positions at Argonne National Laboratory and Ames Laboratory, where he founded and was the first Director of the Materials Preparation Center. He was 1988 TMS President and has been active on the Boards of both TMS and AIME. He holds a B.S. from Drexel University and an M.S. and Ph.D. from Carnegie-Mellon University.

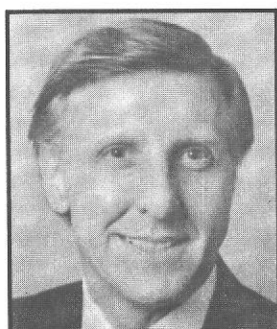
TRUSTEES



Mark A. Anderson is President of M. A. Anderson & Associates. He received his B.S. in Metallurgical Engineering in 1961 from the Michigan Technological University. His professional career began with the U.S. Bureau of Mines followed by a brief assignment with the Aerojet General Corporation. In 1964 he joined Kennecott Copper Corporation at its Nevada Mines division and for more than fourteen years held various engineering and management positions until resigning in 1978 as Reduction Plant Superintendent. From 1978 until 1980 he served as Plant Manager for the Climax Molybdenum division of AMAX. In 1980 he accepted the position of Mill Manager for the Anaconda Company's Nevada Moly Project. Following an assignment at the Ralph M. Parsons Co. as Sr. Project Manager, he joined the Centennial Gold Corporation as Vice President Operations. He was General Manager, Operations, for Asamera Minerals Inc. from 1986 to 1991. Mr. Anderson has authored and served as co-editor for an SME book and several papers on concentrator operations. He has served as SME Section Chairman, Chairman of MPD, and as a Director of SME. He was President of the Northwest Mining Association in 1990 and was 1992 President of SME.



J. Keith Brimacombe holds the Alcan Chair in Materials Process Engineering and is Director of the Centre for Metallurgical Process Engineering at the University of British Columbia (UBC), where he has been a faculty member since 1970. The author of more than two hundred publications in process analysis and design, Dr. Brimacombe has received seventeen best paper awards and numerous other honors including TMS Fellowship, ISS Distinguished Membership, TMS Extractive Metallurgy Lecturer and ISS Howe Memorial Lecturer. He received his undergraduate education at UBC, earning a B.A.Sc. in 1966, and attended graduate school at Imperial College, where he received a Ph.D. in 1970. Dr. Brimacombe is a Fellow of the Royal Society of Canada, a Fellow of the CIM and an Officer of the Order of Canada. He is a Past President of CIM Metallurgical Society and was the first Chairman of the TMS Extraction and Processing Division. Dr. Brimacombe is the 1993 President of TMS.

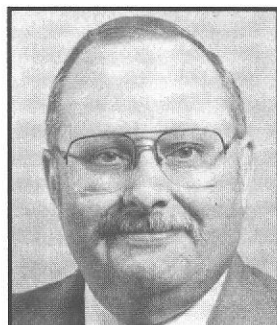


Philip C. Crouse is Chairman and President of Philip C. Crouse and Associates, Inc., a petroleum engineering and management consulting practice he formed in 1981. He received his B.S. in Petroleum Engineering with Honors in 1973 and an M.B.A. in Finance/Management in 1975 from the University of Texas at Austin. From 1975 to 1978 he worked for the Atlantic Richfield Company North America Producing Division in planning assignments. In 1978 he joined Sun Production Company, a subsidiary of Sun Company, where he served in engineering, planning, and regulatory affairs roles. In 1979 he was appointed through the Conference Board as a fellow serving for one year as Senior Agriculture Analyst for the minority side of the U.S. Senate Committee on the Budget. Mr. Crouse is a Distinguished Member of the Society of Petroleum Engineers, a former SPE Distinguished Lecturer, and also very active with community organizations including The Juvenile Diabetes Foundation International, where he serves at the Dallas Chapter President. He is a registered professional engineer in Texas and has authored more than 30 articles on petroleum economics and petroleum technology.

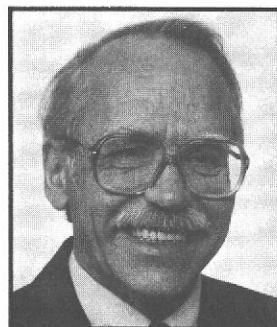
Officers and Trustees



Gordon H. Geiger is a consultant with T. McNulty & Associates; he had been Senior Vice President, Technology Development, Quality Improvement & Research, of Cargill, Inc. from 1988-1992, and Executive Vice President of Cargill's North Star Steel Company subsidiary since 1986. He joined North Star in 1983 as Director of Technology, becoming a Vice President in 1984. He is an engineering graduate of Yale University and holds his M.S. and Ph.D. in Metallurgy and Materials Science from Northwestern University. He was a professor of Metallurgical Engineering at the University of Wisconsin, Madison, from 1955 to 1969 and the University of Illinois, Chicago, from 1969 to 1973. From 1973 to 1980 he was head of the Metallurgical Engineering Department at the University of Arizona, Tucson. A past President of the Accreditation Board of Engineering and Technology, Dr. Geiger has also served as Chairman of the Engineering Accreditation Commission. He is a member of both TMS and ISS and was the 1992 President of TMS.



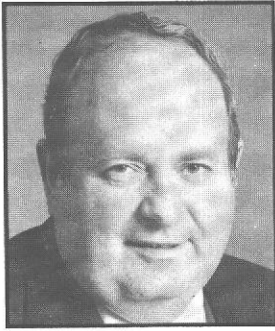
Donald W. Gentry heads the Mining Engineering Department at the Colorado School of Mines in Golden, CO. He joined the CSM faculty in 1972 as Assistant Professor of Mining Engineering after working several years in industry. He received a B.S. in Mining Engineering from the University of Illinois in 1965, as well as an M.S. from the University of Nevada in 1967 and a Ph.D. from the University of Arizona in 1972, also in Mining Engineering. Dr. Gentry has presented many short courses and published extensively on the financial aspects of project and new mine-property valuation. He is co-author of Mine Investment Analysis and has consulted on investment decision analysis, new property evaluation and project financing. He is past chairman of the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET). Dr. Gentry was the 1987 AIME Henry Krumb Lecturer and received the 1990 AIME Mineral Industry Education Award. Named a Distinguished Member of the Society for Mining, Metallurgy and Exploration in 1992, he is the 1993 President of the Society.



Frank A. Hultgren is Manager of Steel Technology at North Star Steel Company. He received his B.S. and Ph.D. from Case Institute of Technology (now Case Western Reserve University), an M.S.E. from the University of Michigan, and served one year as a Fulbright Scholar in post-doctoral study at the Technical University of Aachen, Germany. His industrial experience includes tours with Ford Motor Company Scientific Laboratories, 18 years with Republic Steel Company, and four years with Standard Oil (now BP America). He joined North Star Steel in 1988. He has authored more than 20 papers, most published by the Iron and Steel Society, and holds four patents. He served as Mechanical Working and Steel Processing Division Chairman in 1988-89, has been on the ISS Board of Directors since 1988, and was the 1992 President of the Society.



Grant P. Schneider is Manager, Traffic, Transportation and Reclamation Service for Rouge Steel Company, Dearborn, Michigan. He received a B/Cere at the Georgia Institute of Technology and an M.B.A. from the University of Detroit. He has taken postgraduate work at the University of Michigan in Metallurgy and Advanced Management. He is a graduate of the Ford Motor Company Senior Executive Program. Mr. Schneider joined the Steel Division of Ford Motor Company (now Rouge Steel) in 1960 and has been in various positions in maintenance, engineering and operations, holding the position of Operations Manager, Finishing Operations before moving over to the commercial end of the steel business, his current assignment. He served as Detroit District Chairman of the Iron and Steel Society from 1970 to 1980 and as Chairman of the Steelmaking Division of the Society from 1989 to 1990. Mr. Schneider has been on the ISS Board since 1989, is a life member of the Association of Iron and Steel Engineers and a member of the Traffic Committee of the American Iron and Steel Institute. He has written ten papers, articles and discussions on steelmaking and management, five of which have been published by ISS. He is the 1993 President of ISS.



John K. Hammes, AIME Vice President-Finance, is Vice President, Metals and Mining Department, Citibank, N.A., New York. He joined Citibank in 1968 as a Mining Engineer and was named a Vice President in 1972. From 1965 to 1968, he was employed by the Metal Mining Division of Kennecott Copper Corp. Prior to that, he worked for the U.S. Bureau of Mines under a fellowship program supporting research on the Lake Superior iron pellet industry. Mr. Hammes received his Bachelor's degree from the University of Missouri and his M.S. and Ph.D. in Mining Engineering from the University of Minnesota. He is a Past Chairman of the New York Section of SME and has served as AIME Vice President-Finance since 1977. Mr. Hammes was the first recipient of the AIME Distinguished Service Award, presented in 1989.



Alfred Weiss, AIME Executive Director and Secretary, assumed this position in March, 1992, after having served for 13 years as President and Chief Executive Officer of Mineral Systems International in Stamford, CT. His prior experience includes Kennecott Copper Corporation, Exxon Corporation and the U.S. Department of the Interior Bureau of Mines. He received his B.S. in Mining Engineering and M.S. in Mining Engineering/Mineral Economics from the Henry Krumb School of Mines, Columbia University, and a DBA in Management, Marketing and International Business from the Lubin School of Business, Pace University. A Distinguished Member of the Society for Mining, Metallurgy and Exploration (SME), Dr. Weiss served as 1981 President of the Society and was named to AIME Honorary Membership in 1987.

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Warrendale, PA 15086
Telephone: 412/776-1535
Fax: 412/776-0430

Charles E. Slater, Executive Director

The Minerals, Metals & Materials Society
420 Commonwealth Drive
Warrendale, PA 15086
Telephone: 412/776-9000
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Alexander R. Scott, Executive Director

Society of Petroleum Engineers
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Richardson, TX 75083-3836
Telephone: 214/669-3377
Fax: 214/952-9435

Dan K. Adamson, Executive Director

Report of the 121st AIME Annual Meeting

San Diego, CA

March 1992

The 121st AIME Annual Meeting was held in San Diego, California, March 1-5, 1992, in conjunction with the Annual Meeting of The Minerals, Metals & Materials Society (TMS). The San Diego Marriott Hotel & Marina was the headquarters hotel for both AIME and TMS. All TMS technical sessions and Exhibition '92 were held at the San Diego Convention Center.

Annual Meeting activities designed to appeal to all attendees commenced with the AIME Keynote Session on Monday morning, March 2 in Marriott Hall. *Modern Materials Technology: Applied Innovation* was the focus of attention of two of the session's distinguished speakers. Vincent J. Russo, Director of the Materials Laboratory, Wright Research and Development Center, Aeronautical Systems Division, Air Force Systems Command, Wright-Patterson Air Force Base, spoke on aerospace materials and processes for the future. Britton Chance, Jr., the world-renowned naval architect and pioneer in the application of technology to design who was senior designer of two America's Cup winners, the Stars & Stripes '87 and '88 discussed, advanced materials and the America's Cup. The third speaker was Frank V. Nolfi, Jr., chairman of AIME's Public Issues Committee, responsible for developing *Transformations: Science, Technology & Society*, instructional video units for 6th through 9th grade classrooms. Dr. Nolfi's presentation was planned to acquaint the audience with the Institute's approach to creating increased interest in engineering and the sciences among today's youth. It included a videotape of an actual classroom utilizing a *Transformations* unit and a discussion of the background and goals of this ambitious educational project.

The 121st AIME Annual Banquet and Awards Ceremony was held on Monday evening, March 2 at the Marriott. 1991 President Milton E. Wadsworth served as Master of Ceremonies for the Awards programs during which the major AIME awards were presented and Honorary Memberships conferred. The winners of honors and awards and the honorary members are listed on the following pages. Following the ceremony, Dr. Roshan B. Bhappu was installed as 1992 AIME President.

The 122nd AIME Annual Meeting will be held in Reno, Nevada from February 15th through 18th, 1993 in conjunction with the Annual Meeting of the Society for Mining, Metallurgy and Exploration (SME); the AIME Annual Banquet and Awards Ceremony will be held on Monday evening, February 15th at the Reno Hilton.

Recipients of Honors and Awards Presented by AIME in 1992

HONORARY MEMBERS—CLASS OF 1991

- Frank F. Aplan** Pennsylvania State University/TMS,SME
"For his innovative, prolific, and productive career of outstanding contributions to the integration of theory with the practice of processing of coal, ores, and industrial materials"
- Charles W. Arnold** University of Houston/SPE
"For significant contributions to enhanced oil recovery technology and for distinguished service in advancing career guidance and professionalism within SPE and the Institute."
- Ted M. Geffen** Amoco (retired), Consultant/SPE
"For noteworthy contributions to reservoir engineering and enhanced oil recovery technology; and for outstanding service to the Society and Institute in developing new technology dissemination programs."
- Howard N. Hubbard** Universal Refractories/ISS
"For his continuing support and leadership in the Institute and the Iron and Steel Society and for his tireless commitment in expanding the Society's efforts in the dissemination of technology to the iron and steel industry."
- Alexander McLean** University of Toronto/ISS
"An outstanding teacher in the iron and steel industry whose contributions to the Iron and Steel Society and the field of ferrous metallurgy have yielded significant benefits to practicing engineers and managers in the industry."
- Harold W. Paxton** Carnegie Mellon University/TMS
"In recognition of his major technical contributions, inspirational teaching and visionary leadership in the profession of metallurgy, and of his wise counsel and selfless devotion to the work of innumerable TMS, AIME, academic, and government committees."
- M. R. J. Wyllie** Gulf Oil Company (Retired)/SPE
"For major contributions to the fields of reservoir engineering and formation evaluation; and in recognition of a distinguished career as industry researcher, administrator and executive."

JAMES DOUGLAS GOLD MEDAL

- James T. Staley** Alcoa Laboratories/TMS
"For his outstanding achievement in the field of physical metallurgy and the development of high-strength, heat treatable aluminum alloys."

BENJAMIN F. FAIRLESS AWARD

- Robert G. H. Lee** Canadian Liquid Air Ltd. (Retired)/TMS,ISS,SPE
Guys Savard Canadian Liquid Air Ltd. (Retired)
"For their invaluable contributions to the science and engineering of oxygen steelmaking."

HAL WILLIAMS HARDINGE AWARD

- Keith G. Papke** Nevada Bureau of Mines and Geology/SME
"For distinguished field work and publications on the industrial minerals of Nevada and for his service to the Industrial Minerals Division of SME."

ANTHONY F. LUCAS GOLD MEDAL

- Lincoln F. Elkins** Sohio (Retired)/SPE
"For 50 years of contributions to the technology of reservoir and production engineering that have led to increased recoveries of oil and gas; for pioneering achievements in enhanced oil recovery; and for outstanding leadership to the engineering profession as President of the Society of Petroleum Engineers and through service to the National Academy of Engineering."

Honors and Awards

ROBERT EARL MCCONNELL AWARD

Michael Korchynsky

Union Carbide/Korchynsky & Assoc.

"For advancing the theory, alloy design, and processing technology of microalloyed steels in order to reduce cost without sacrificing reliability of critical engineering components."

ERSKINE RAMSAY MEDAL

John L. Schroder, Jr.

West Virginia University (Retired)/SME

"For his leadership in the coal industry and his dedication and service to mining education."

CHARLES F. RAND MEMORIAL GOLD MEDAL

Fred H. Poettmann

Marathon Oil & CSM (Retired)/SPE

"For management in the fields of operations, research and engineering and continued activities in the fostering of his profession and in the establishment of improved oil recovery methods."

ROBERT H. RICHARDS AWARD

Laurence D. Hartzog

Coeur d'Alene Mines/SME

"For the integration of his engineering and management talents, imagination and a broad operating and design experience to successfully implement new technology at the plant level."

WILLIAM LAWRENCE SAUNDERS GOLD MEDAL

Philip C. Walsh

St. Joe Minerals (Retired)/Consultant

"In recognition for his distinguished and extensive association with the mining industry both in North and South America for over forty years."

AIME DISTINGUISHED SERVICE AWARD

Lloyd E. Elkins, Sr.

Amoco Production Company (Retired)/SPE

"In recognition of many years of exemplary and dedicated service to AIME as Director, Vice President and President, and for his efforts to unify AIME Member Society members who belong to the NAE and NAS and for his leadership of the AIME Past Presidents."

MINERAL ECONOMICS AWARD

Menelaos D. Hassialis

Henry Krumb School of Mines (Retired)/SME

"Educator of mineral economics at Columbia University's School of Mines. Advisor to governments on mineral economic development and the Manhattan Project. Creator of economic methods to process the separation of U235 and to mine oilshale. Writer of Taggart's Sampling. And to all his students, much more!"

MINERAL INDUSTRY EDUCATION AWARD

Frank F. Aplan

Pennsylvania State University/TMS,SME

"In recognition of distinction as a teacher, engineer, scientist and manager of research, a world authority in flotation processes, whose leadership attracts outstanding students to mineral processing."

ROSSITER W. RAYMOND MEMORIAL AWARD

Akhil Datta Gupta

BP Research/Student

Paper: "Accurate Resolution of Physical Dispersion of Multidimensional Numerical Modeling of Miscible and Chemical Displacement."

ALFRED NOBLE PRIZE

Kwai S. Chan

Southwest Research Institute/TMS

Paper: "Crack Tip Behaviors of Stationary and Growing Cracks in Al-Fe-X Alloys: Part I. Near-Tip Strain Field."

AIME Past Presidents

Active List

Carl E. Reistle, Jr.	1956	Wayne L. Dowdey	1978	Arlen L. Edgar	1986
Lloyd E. Elkins	1962	William H. Wise	1979	Alan Lawley	1987
Walter R. Hibbard, Jr.	1967	M. Scott Kraemer	1980	Thomas V. Falkie	1988
John C. Kinnear	1970	Robert H. Merrill	1981	Howard N. Hubbard, Jr.	1989
John S. Bell	1971	Harold W. Paxton	1982	Donald G. Russell	1990
Wayne E. Glenn	1974	Edward E. Runyan	1983	Milton E. Wadsworth	1991
Julius J. Harwood	1976	Nelson Severinghaus, Jr.	1984	Roshan B. Bhappu	1992
H. Arthur Nedom	1977	Norman T. Mills	1985		

AIME Honary Members

Honorary Membership is awarded in appreciation of outstanding service to the Institute or in recognition of distinguished scientific or engineering achievement in fields embracing, broadly speaking, the activities of AIME and its Member Societies.

Active List with Year of Election.

Frank F. Aplan	1991	Michel T. Halbouty	1972	Albert J. Phillips	1972
Nathaniel Arbiter	1975	John P. Hammond	1988	Fred H. Poettmann	1984
Charles W. Arnold	1991	Julius J. Harwood	1980	William N. Poundstone	1982
Edmund C. Babson	1985	John F. Havard	1984	Michael Prats	1989
Charles S. Barrett	1979	Claude R. Hocott	1974	Nathan E. Promisel	1974
John S. Bell	1976	Howard N. Hubbard	1991	Henry J. Ramey, Jr.	1984
Kermit E. Brown	1989	William Hurst	1989	Carl E. Reistle, Jr.	1960
John C. Calhoun, Jr.	1975	Basil P. Kantzer	1990	Joseph G. Richardson	1987
Ben H. Caudle	1986	G. William Kneppshield	1989	Kenneth W. Robbins	1988
Morris Cohen	1980	M. Scott Kraemer	1983	Edward E. Runyan	1987
Jesse F. Core	1978	H. Mark Krause, Jr.	1982	Donald G. Russell	1986
Lawrence B. Curtis	1986	Carleton C. Long	1971	Harrison H. Schmitt	1972
Donald A. Dahlstrom	1985	Plato Malozemoff	1985	Nelson Severinghaus, Jr.	1987
Wayne L. Dowdey	1983	Alexander McLean	1991	T. Don Stacy	1990
Robert C. Earllougher	1984	Robert H. McLemore	1976	Marshall B. Standing	1990
Arlen L. Edgar	1988	Sir Ian McLennan	1971	Simon D. Strauss	1980
Lincoln F. Elkins	1977	Robert H. Merrill	1984	Michael Tenenbaum	1979
Lloyd E. Elkins	1969	Stanley D. Michaelson	1977	Alfred Weiss	1986
Douglas W. Fuerstenau	1988	Norman T. Mills	1987	Robert L. Whiting	1987
Ted M. Geffen	1991	Morris Muskat	1971	William H. Wise	1984
Robert B. Gilmore	1985	H. Arthur Nedom	1981	M. R. J. Wyllie	1991
Wayne E. Glenn	1979	Melvin E. Nickel	1978	David A. Zegeer	1987
William A. Griffith	1986	Earl R. Parker	1982		
H. J. Gruy	1987	Harold W. Paxton	1991		

Legion of Honor Fifty-Year Members—Class of 1942 ***127 Society Members added***

Society for Mining, Metallurgy and Exploration **43 members**

Robert W. Adamson
James K. Archibald
Robert D. Baily
Frank H. Brady
Marion C. Brooks
R. Kent Comann
John C. Draper
Patrick F. Farrell
George J. Featherstone
Richard M. Foose
Frank L. Gaddy
Gerard C. Gambs
James W. Guider
Robert L. Haffner
Raymond J. Horsman

Robert B. Hoy
Alfred G. Hoyl
Elmer Isern
T. A. Kauppila
John L. Kellogg
Richard R. Knobler
Frank M. McKinley
Edward J. Langey
Walter E. Lewis
Malcolm V. Lowry
Onnie Marjama
Joseph A. Miller
Matthew P. Nackowski
Earshel W. Newman
Ahmet Pekkan

William G. Piper
H. W. Potter
Carl Rampacek
Hal M. Scrugham
Rodney B. Sprague
Charles E. Taylor, Jr.
Marvin S. Walker
Albert A. Wallach
Peter Warhol
Herbert F. Way
C. T. Williams
Frank J. Windolph
Kenelm C. Winslow

The Mineral, Metals & Materials Society **39 members**

Ben H. Alexander
Paul H. Anderson
Frederick P. Bens
William L. Bruckart
Louis A. Carapella
Ernest S. Chamer
Frank H. Day
James D. Dowd
John H. Frye, Jr.
Edwin A. Gee
Harry N. Ghenn
George W. Gibson
Bernard H. Havens

James B. Hess
Erle J. Hubbard
Frederick R. Jackson
Herbert S. Kalish
Roland G. Krupp
Wimmer J. Leonard
John G. Leschen
Kenneth H. Mairs
Richard D. Manning
Earl R. Marble, Jr.
Marvin Metzger
Thomas I. Moore
Donald B. Murph

William R. Opie
Emo D. Porro
J. Ross Reed
Robert W. Rowen
John V. Russell
Frederick Seitz
George Simkovich
Theodore W. Sproull
Frank M. Stephens, Jr.
George A. Timmons
Nathan A. Tiner
Emery I. Valyi
Alvin G. Waggoner

Iron and Steel Society **5 members**

E. K. Bloom
Kenneth M. Lopez

Samuel Naismith
Charles R. Taylor

E. E. Van Voris

Society of Petroleum Engineers **40 members**

Harry D. Aggers, Jr.
Fraser H. Allen
John B. Barber
William J. Barnett
Perry R. Bass
James C. Bransford
Augustus B. Brown
Eugene Brownscombe
William A. Bruce
Peter G. Burnett
James C. Cordell
Harold Decker
N. B. Dismukes
Jack W. Dunn

R. W. Erwin
J. C. Farris
Ivan J. Fenn
Earl Fuller
Leroy V. Hester
Charles H. Hutchins
M. Scott Kraemer
David E. Landers
Joseph S. Levine
Richard C. Marr
Homer N. Mead
W. A. Moncrief, Jr.
R. A. Morse
John R. Murray

Morris Muskat
Sidney A. Parkans
Robert Pavlovic
D. B. Remick
F. H. Rhees
J. Paul Roston
James E. Russell
W. Allen Scott
Robert Siegel
Robert E. Spratt
Martin E. True
Robert B. Trull

The Woman's Auxiliary
to the
American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc.

14th floor, 345 EAST 47th STREET, NEW YORK, N. Y. 10017

212-705-7692

Report of the WAAIME



Aleeta D. Attra, President
1992 WAAIME

Despite an obviously tumultuous year, I am happy to be able to report the continued strength and progress of the Women's Auxiliary of AIME during 1992.

Although our Michigan-Upper Peninsula Section disbanded this year, our remaining 30 Sections continue to be active. Membership stands at 1,623, and our Endowment Funds portfolio grew at a steady rate. In keeping with most organizations in today's economic climate, our expenses grew along with our asset base. One additional, and continuing, expense was the purchase of Directors & Officers Liability Insurance. Our exposure to risk in these highly litigious times made this a necessity since many people today will not serve on any Board without this type of protection.

The **WAAIME Scholarship Loan Fund (SLF)** is a Section program designed to provide financial support to university students in the Earth Science or related fields of study. Since the original loan granted in 1920, more than \$2,700,000 has been awarded on an interest free, 50% repayment basis; and to date, the program has assisted 1,648 students with their degree programs.

This year seventeen Sections sponsored 58 students for loans totaling \$153,140. Included were 14 post-graduate students, with 34 men and 24 women representing the following major fields of study: Mining Engineering and Mineral Economics 19, Metallurgy/Mineral Science 17, Petroleum Engineering 1, Geology/Geological Engineering 20, Mining Occupational Safety & Health 1. Anticipated graduates this year will number 55, including 3 PhDs and 6 with MS degrees.

We retired seven long outstanding loans dating from 1960 to 1976, amounting to a total of \$4,873.

The use of our Loan Repayment Coupon Book and Exit Interview Information Form is proving helpful with repayments and in avoiding the *lost student* problem. Historically, since initiating these tools our yearly repayments have gone from \$32,875 in '87-88 to \$42,213 in '88-89 to \$50,462 in '89-90, and to \$64,420 in '90-91.

As more is given in loans, more should be expected in repayments; however, we feel that most of the increase is due to the conscientious Section SLF Chairmen who keep up the personal contact with each student both before and after graduation.

Our **Education for Tomorrow (EFT)** program, established in 1959, provides information and teacher enhancement programs in the Earth Science fields to Elementary through Senior High Schools. The National EFT Chairman maintains an audio-visual distribution library of films, videotapes, computer software, and teaching modules on the mining industry for the benefit of Section members, and available on a loan or purchase basis. Section EFT Chairmen work with teachers, counselors, and when possible through the school's curriculum planner, to place these educational materials in the schools.

Our library of available materials was updated this year with the AIME sponsored *Transformations*, and our enthusiasm for this

Report of the WAAIME

program has been matched by that of the Sections and the schools. Currently approximately 10 of the 16 Sections with active EFT Programs are working with this material.

The **Chest** program provided financial assistance to eleven students for emergency or summer field trip requirements. Applicants for assistance are proposed by Sections. This year we approved the change of the name of this program to **Chest Assistance for Students (CAS)** as this is its only function at the National level. However, on the Section level, our Section Chest programs provided many volunteer hours on Community projects including: Food Banks; aid toward the needs of battered women and their children; assisted in hosting a Girl Scout Workshop (grades 9-12) on *Learning About History and Processes of the Earth*; raised funds for a workshop for *Women Geoscientists*; gave gifts to a Nursing Home and glasses to the Lighthouse for the Blind. In addition, many Sections gave assistance in the form of grants to students in need.

Our **Library** program, through the efforts and generous contributions from various Sections, continues to donate books and videotapes relating to the mineral industry or associated science fields to schools and public libraries.

The **Liaison** Chairman provides guidance and reports on the continuing WAAIME participation and cooperation with AIME in educational, social, and fund-raising activities through the year.

Newsletter is designed to be our prime avenue of communications and is sent to every member about three times during the year. It should contain summaries of all National Board meetings and reports, Section news and activities, articles of general interest to the membership, and WAAIME Annual Meeting plans.

Our **Publicity** Chairman actively presents articles and information to the magazines of the AIME Member Societies and other technical journals, and we would like to acknowledge their continued support in printing the articles submitted.

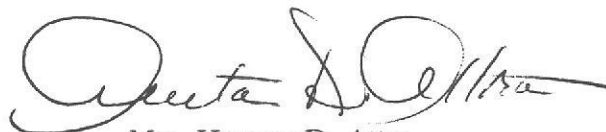
For the National Board this has been a year of both stimulation and frustration, sorrow and joy. A campaign for an alternate slate for the election of the 1993-94 officers has generated a great deal of communication, much of it misleading and unsettling.

Although the Directors have worked to keep our programs and Sections as solid as possible, the personal attacks have resulted in resentment, resistance, and much regretted resignations. Throughout this period, the great majority of the members have worked diligently to keep the dignity and honesty of the WAAIME intact, and in my opinion, have been remarkably successful with their efforts. Whatever the outcome will be, it is our sincere intent that this high standard will prevail, and that the unity that we have with one another, and with all the AIME Member Societies will continue to grow.

Our membership is proud of their role in AIME. We will continue to work for an excellent scholarship and educational program designed to further the interests of the AIME associated industries and the professions involved. We are aware of the current concerns and restrictions on the industry, and we are attempting to support programs of balance between all facets of national and regional concerns through our educational programs and community involvement.

In closing, we would like to acknowledge AIME for the support and assistance their staff has provided through the year, in particular, Dr. Alfred Weiss, Executive Director and Dr. Roshan Bhappu, 1992 President. Their support and encouragement have been beyond measure. We also sincerely appreciate the support we have received through the year from the AIME Member Societies' Executive Directors and staffs, and look forward to working in cooperation with them in the future, as we have in the past.

Respectfully submitted,



Mrs. Harvey D. Attra,
WAAIME President

Coopers
& Lybrand

certified public accountants

REPORT of INDEPENDENT ACCOUNTANTS

To the Board of Trustees of the
American Institute of Mining, Metallurgical
and Petroleum Engineers, Inc.:

We have audited the accompanying balance sheets of the AMERICAN INSTITUTE of MINING, METALLURGICAL and PETROLEUM ENGINEERS, INC. ("AIME") (Note 1a) as of November 30, 1992 and 1991, and the related statements of revenue and expenses and surplus, changes in endowment and quasi-endowment funds, and cash flows for the years then ended. These financial statements are the responsibility of AIME'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 audits 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 AIME at November 30, 1992 and 1991, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.



New York, New York
January 4, 1993.

Financial Statements

AMERICAN INSTITUTE OF MINING, METALLURGICAL AND PETROLEUM ENGINEERS, INC.

BALANCE SHEETS
November 30, 1992 and 1991
(Note 1a)

ASSETS:	<u>1992</u>	<u>1991</u>
Operating fund:		
Cash	\$ 19,308	\$ 26,655
Accounts receivable, primarily due from Member Societies	1,736	2,249
Equipment, furniture and fixtures, less accumulated depreciation of \$24,325 in 1992 and \$16,275 in 1991	23,093	31,008
Prepaid expenses	<u>36,320</u>	<u>41,146</u>
Endowment and quasi-endowment funds:	<u>80,457</u>	<u>101,058</u>
Investments, at cost plus accrued interest (at market quotations plus accrued interest: \$10,593,512 in 1992 and \$9,944,295 in 1991) (Notes 1e and 3)	8,702,177	9,250,950
Cash and cash equivalents	1,343,714	242,968
Due from operating fund	29,246	—
Inventories	284,641	190,790
Loans receivable from Member Societies plus accrued interest (Note 2)	401,550	399,182
Prepaid expenses	<u>4,814</u>	<u>6,943</u>
	<u>10,766,142</u>	<u>10,090,833</u>
Founder Society advances to United Engineering Trustees, Inc. (Note 4)	<u>265,000</u>	<u>265,000</u>
	<u>\$11,111,599</u>	<u>\$10,456,891</u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES and FUND BALANCES:	<u>1992</u>	<u>1991</u>
Operating fund:		
Accounts payable and accrued expenses	\$ 25,894	\$ 30,144
Due to endowment fund	29,246	—
Surplus – unrestricted	<u>25,317</u>	<u>70,914</u>
	<u>80,457</u>	<u>101,058</u>
Endowment and quasi-endowment funds:		
Accounts payable, Member Society	58,722	35,464
Fund balance (Note 1a)	<u>10,707,420</u>	<u>10,055,369</u>
	<u>10,766,142</u>	<u>10,090,833</u>
Property fund (no change during 1992 and 1991) (Note 4)	<u>\$11,111,599</u>	<u>\$10,456,891</u>

Financial Statements

STATEMENTS of REVENUE and EXPENSES and SURPLUS

for the years ended November 30, 1992 and 1991
(Note 1a)

	<u>1992</u>	<u>1991</u>
Revenue:		
Contributions by Member Societies for:		
Other engineering federations	\$ 40,745	\$ 39,800
Administrative expenses	16,000	16,000
Appropriations from endowment funds	328,000	328,000
Offshore Technology Conference	30,985	26,755
Meetings	16,160	21,966
Interest	14,870	17,219
Other	<u>918</u>	<u>3,350</u>
	<u>447,678</u>	<u>453,090</u>
Expenses:		
Federation support	56,245	54,850
Meetings	17,225	26,756
Other programs and administrative expenses (Note 5)	<u>419,805</u>	<u>388,249</u>
	<u>493,275</u>	<u>469,855</u>
Excess of expenses over revenue	(45,597)	(16,765)
Surplus - unrestricted:		
Balance, beginning of year	<u>70,914</u>	<u>87,679</u>
Balance, end of year	<u>\$ 25,317</u>	<u>\$ 70,914</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS of CHANGES in ENDOWMENT and QUASI-ENDOWMENT FUNDS

for the years ended November 30, 1992 and 1991
(Note 1a)

	<u>1992</u>	<u>1991</u>
Balance of fund accounts, beginning of year	\$10,055,369	\$ 9,754,438
Revenue:		
Contributions	6,690	
Net gain on sales of investments	897,135	1,014,407
Interest and dividends, net of investment advisor and custodian fees of \$78,308 in 1992 and \$72,226 in 1991	319,870	403,339
Sales of books, volumes, etc.	82,655	66,246
Sales of "Transformations" tapes	50,158	
Royalties from oil and gas deeds	<u>14,416</u>	<u>18,415</u>
	<u>1,370,924</u>	<u>1,502,407</u>
Expenses and appropriations:		
Publication expenses	71,849	65,260
Public Issues Committee	190,670	691,612
Other awards	92,288	53,156
Free books	21,909	37,900
Sundry expenses	14,157	25,548
Appropriations to operating funds	<u>328,000</u>	<u>328,000</u>
	<u>718,873</u>	<u>1,201,476</u>
Balance of fund accounts, end of year	<u>\$10,707,420</u>	<u>\$10,055,369</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS of CASH FLOWS

for the years ended November 30, 1992 and 1991
(Note 1a)

	<u>1992</u>	<u>1991</u>
Cash flows from operating activities:		
Excess of expenses over revenue	(\$ 45,597)	(\$ 16,765)
Endowment revenue, excluding net gains on sales of investments, less expenses and appropriations of endowment and quasi-endowment funds	<u>(245,084)</u>	<u>(713,476)</u>
	<u>(290,681)</u>	<u>(730,241)</u>
Adjustments to reconcile the above to net cash used in operating activities:		
Depreciation	8,050	7,241
Changes in assets and liabilities:		
Decrease in accrued interest on investments	2,466	23,446
(Increase) decrease in accounts receivable	(28,733)	1,168
(Increase) decrease in inventories	(93,851)	23,450
Decrease in prepaid expenses	6,955	15,237
Increase (decrease) in accounts payable and accrued expenses	<u>48,254</u>	<u>(157,629)</u>
	<u>(56,859)</u>	<u>(87,087)</u>
Net cash used in operating activities	<u>(347,540)</u>	<u>(817,328)</u>
Cash flows from investing activities:		
Purchases of securities	(5,806,295)	(9,386,841)
Sales of securities	7,249,737	10,088,651
Loans receivable from Member Societies	(2,368)	42,206
Capital expenditures	<u>(135)</u>	<u>(4,976)</u>
Net cash provided by investing activities	<u>1,440,939</u>	<u>739,040</u>
Net increase (decrease) in cash	1,093,399	(78,288)
Cash, beginning of year	<u>269,623</u>	<u>347,911</u>
Cash, end of year	<u>\$1,363,022</u>	<u>\$ 269,623</u>

The accompanying notes are an integral part of these financial statements.

NOTES to FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

a. *General:*

The financial statements comprise the accounts of the American Institute of Mining, Metallurgical and Petroleum Engineers, Inc. ("AIME"). They do not include the accounts of the Society of Mining, Metallurgy and Exploration Engineers ("SME"), the Society of Petroleum Engineers ("SPE"), The Minerals, Metals and Materials Society ("TMS"), and the Iron & Steel Society ("ISS"), the four Member Societies of AIME.

Quasi-endowment funds of \$8,268,937 and \$7,801,152 at November 30, 1992 and 1991, respectively, represent amounts which have been restricted by AIME's Board of Trustees. The Board of Trustees has also determined that such funds be retained and invested.

AIME's Board of Trustees periodically makes appropriations from interest and dividend income of endowment funds to the operating fund and the individual Member Societies based on their respective operating requirements.

b. *Cash Equivalents:*

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

c. *Inventories:*

Salable publications and books are carried at the lower of cost (first-in, first-out) or net realizable value.

d. *Equipment, Furniture and Fixtures:*

Equipment, furniture and fixtures are recorded at cost and are depreciated by the straight-line method over their estimated useful lives. Depreciation expense for 1992 and 1991 was \$8,050 and \$7,241, respectively.

e. *Investments:*

Investments purchased are carried at cost or, if acquired by gift, at market value on date of gift plus accrued interest, where applicable. Purchases and sales of securities are reflected on a trade-date basis.

f. *Gains or Losses on Sale of Investments:*

Gains or losses on sale of investments are determined on the basis of average cost. Such gains or losses related to investments which are part of the endowment commingled pool of investments are allocated to the individual funds on the basis of their relative book values at the end of each quarter.

g. *Interest and Dividend Income:*

Interest from investments is recorded on the accrual basis. Dividends are recorded on the cash basis; however, such basis of accounting does not differ significantly from the generally accepted method of accruing dividends on the ex-dividend date.

h. *Retirement Income Plan:*

The AIME Retirement Income Plan ("Plan"), a defined benefit retirement income plan, covers substantially all full-time employees. Eligible employees receive a non-contributory benefit based on a standard dollar amount per month, irrespective of the amount of compensation, multiplied by the years of benefit service, or may elect to contribute a percentage of their compensation to the Plan and receive an increased benefit. The contributory benefit is based on years of benefit service and the employee's compensation. AIME accounts for the Plan in accordance with the Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions".

The Retirement Income Committee has contracted with Connecticut General Life Insurance Company ("Connecticut General"), through a Group Annuity Contract, to maintain the assets of the Plan and pay pension benefits to the annuitants. The Plan participates in various investment accounts of Connecticut General and in four separate mutual funds. Plan assets are invested in growth common stocks, real estate partnerships, property, mortgage loans, and short-term investments.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

h. Retirement Income Plan (Continued):

The funding policy of AIME is to contribute such amounts as are necessary on an actuarial basis to provide the Plan with assets to meet the benefits expected to be paid to annuitants or their beneficiaries.

The following tables set forth AIME's share of the Plan's funded status and the amounts recognized in AIME's balance sheets at November 30, 1992 and 1991:

	<u>1992</u>	<u>1991</u>
Accumulated benefit obligation, including vested benefits of \$578,691 (1992) and \$562,058 (1991)	<u>\$581,123</u>	<u>\$575,913</u>
Projected benefit obligation	\$616,420	\$609,623
Plan assets at fair value	<u>610,746</u>	<u>611,171</u>
Plan assets (less than) in excess of projected benefit obligation	(5,674)	1,548
Unrecognized prior-service cost	70,721	78,581
Unrecognized net loss	13,190	13,190
Unrecognized net assets at December 1, 1986 being recognized over 12 years	<u>(60,774)</u>	<u>(70,904)</u>
Prepaid retirement income cost included in prepaid expenses	<u>\$ 17,463</u>	<u>\$ 22,415</u>

Net retirement income cost for 1992 and 1991 included the following components:

	<u>1992</u>	<u>1991</u>
Service cost	\$18,485	\$15,476
Interest cost	46,368	44,400
Projected return on plan assets	(46,963)	(45,112)
Amortization of unrecognized prior-service cost	7,860	7,860
Amortization of transition asset	<u>(10,130)</u>	<u>(10,130)</u>
Net retirement income cost	<u>\$15,620</u>	<u>\$12,494</u>

The weighted average discount rate and rate of increase in future compensation used in determining the actuarial present value of the projected benefit obligation were 8% and 5.5%, respectively. The expected long-term rate of return on plan assets is 8.0%.

2. **Financing of TMS/ISS and SME Headquarters Facilities:**

TMS/ISS Headquarters:

During 1978, TMS/ISS obtained a \$300,055 loan from the endowment fund, payable over twenty years at a floating interest rate based on the endowment fund's prior year's dividend and interest earnings, net of management fees. At November 30, 1992 and 1991, the balance of the loan plus accrued interest at 3.69% (1992) and 5.33% (1991) per annum was \$123,250 and \$142,220, respectively.

SME Headquarters:

During 1979, SME obtained a \$467,000 loan from the endowment fund, payable over twenty years at a floating interest rate based on the endowment fund's prior year's net earnings after management fees. At November 30, 1992 and 1991, the balance of the loan plus accrued interest at 3.69% (1992) and 5.33% (1991) was \$228,300 and \$256,962, respectively.

SME Foundation:

During 1992, the SME Foundation obtained a \$50,000 loan from the endowment fund. The repayment terms of this loan are currently being negotiated.

3. **Changes in Investments:**

Endowment and quasi-endowment funds:

	<u>1992</u>	<u>1991</u>
Investments, at cost plus accrued interest, beginning of year	\$ 9,250,950	\$ 8,961,799
Purchases of securities	<u>5,806,295</u>	<u>9,386,841</u>
	15,057,245	18,348,640
Sales of securities	<u>7,249,737</u>	<u>10,088,651</u>
	7,807,508	8,259,989
Net realized gain on sales of securities	897,135	1,014,407
Net change in accrued interest	<u>(2,466)</u>	<u>(23,446)</u>
Investments, at cost plus accrued interest, end of year	<u>\$ 8,702,177</u>	<u>\$ 9,250,950</u>

Notes to Financial Statements

4. **Advances to United Engineering Trustees, Inc.:**

In accordance with an agreement between AIME and the United Engineering Trustees, Inc. ("UET"), AIME has agreed to maintain permanently its principal offices in the United Engineering Center Building and to pay a pro rata portion of the operating costs of the building. AIME's share of these costs during 1992 and 1991 was \$65,445 and \$65,148, respectively. The advance to UET, made in connection with the erection of the United Engineering Center Building, is repayable only out of available reserve funds on dissolution of UET and earns interest at an annual rate of 4%.

5. **Other Programs and Administrative Expenses:**

Other programs and administrative expenses consist of the following:

	<u>1992</u>	<u>1991</u>
Payroll and employee benefits	\$223,918	\$220,765
Audit and legal services	27,027	15,433
Rent	65,145	65,148
AIME Board activities	25,212	16,534
Supplies, postage, and maintenance and repairs	19,192	16,750
Insurance	11,751	12,566
Depreciation	8,050	7,241
Publications and printing	8,649	3,495
Other	<u>30,861</u>	<u>30,317</u>
	<u>\$419,805</u>	<u>\$388,249</u>

6. **Tax Status:**

AIME is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

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