1998 Annual Report

One hundred and twenty-seventh year

December 1, 1997 - November 30, 1998

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A Founder Society of the
United Engineering Foundation, Inc.

Established in 1904 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 1998 President

The year 1998 recorded several unprecedented events in AIME’s history. I am pleased to report the sale of the United Engineering Center was consummated in October. AIME co-located with the other four Founder Societies from their home of almost forty years to a commercial building at Three Park Avenue in New York City.

I am saddened to report the death of two of AIME’s best, Alfred Weiss, Executive Director and Secretary, and Richard “Dick” Klimpel, an AIME Trustee from SME.

Significant progress was made in the development of a new AIME Long Range Plan and in the implementation of the Outreach Initiatives described at the 1997 retreat. On these areas and on other pertinent developments, I am pleased to report.

1998 Annual Meeting

The first AIME Annual Meeting held outside the United States was held in Toronto, Ontario, Canada in March hosted by the Iron & Steel Society. The AIME Keynote Session, moderated by Leonard G. Nelson, 1997 AIME president, featured three distinguished speakers who addressed Revolutionary Leadership in Steel. The annual banquet served to recognize the recipients of Honorary Membership as well as the other prestigious AIME Awards. An account of the 127th Annual Meeting may be found on page 8, followed by the names of the award winners.

 Tradition

As part of the AIME Long Range Plan, the Board approved that the hosting of the AIME Annual Meeting will rotate among the Member Societies. The 1999 meeting will be in Houston with SPE and the 2000 meeting in Nashville with TMS.

Government Affairs through AAES

AIME government affairs activities continued during 1998 through the American Association of Engineering Societies (AAES), located in Washington, DC.

AIME efforts in AAES involved a total of ten volunteers, each representing a Member Society, serving on the various AAES Councils, Commissions and Task Forces. AIME contributed financially to two projects, the Harris Poll to assess the Image of Engineers in the US and a Pension Study. AIME and the Member Societies are participating in the taskforce to Enhance the Image of Engineers which is an outgrowth of the Harris Poll.

Overarching and Member-Direct Programs

At the August 1994 Board meeting, the Trustees adopted a policy that provides funding to AIME’s Overarching programs and Member-
Direct programs. Overarching programs are defined as those that carry out the mission of the Institute and includes participation by one or more of the Member Societies. Member-Direct programs are those carried out by the Member Societies. The selection of Member Society specific projects and the balancing of programs is the responsibility of the Board of Trustees. For 1998, the Board approved total funding in the amount of $1.1 million of which $65 thousand was for Overarching programs and the balance for Member-Direct.

**LONG RANGE PLAN AND BOARD RETREAT**

At the March 1998 “follow-up” Board Retreat in Toronto, the AIME Board of Trustees identified three “Outreach Initiatives,” to be executed as Overarching programs. These programs are (1) Professional Development, (2) Enhance the Image of Engineers, and (3) Bridge Societies to Industry Leadership. ‘Professional Development,’ which aims to bring business-oriented short courses to the Member Societies to support their membership, has had planning meetings via teleconference and in Cleveland. Presently, a market survey is being conducted by The Gallup Organization. ‘Enhance the Image of Engineers’ is being executed by more active participation in National Engineers Week, cooperative participation in programs through AAES and continual review by the Board to support efforts by the Member Societies. ‘Bridge Societies to Industry Leadership’ is being carried out by sharing ‘Best Practices’ between the Member Societies, participation in programs with AAES and continual review by the Board to support Member Societies efforts in this important area.

**INTER-SOCIETY AFFAIRS**

**United Engineering Trustees.** On September 25, 1997 the Supreme Court of the State of New York approved the sale of the United Engineering Center (UCEC) and the distribution of proceeds to the Founder Societies. The Court also approved the reconstitution of the UET into the United Engineering Foundation (UEF). The new president of the UEF is Barry Bowman, a member of SPE and a twelve-year AIME representative to the UET board.

**Founder Societies.** As part of the plan submitted to the Court, the Founder Societies concluded that the building at Three Park Avenue in New York City will be able to house all five Founder Societies. All of the societies moved in September of 1998 and the closing on the UEC sale took place in October. AIME has a sublease from IEEE and occupies some 2500 square feet or about eleven percent of the 17th floor.

**ABET.** The Institute also retained its relationship with the Accreditation Board for Engineering and Technology (ABET), as an affiliate body, and AIME is represented by its Executive Director who serves as an official observer at the ABET board meetings.

**JETS.** AIME has a seat on the board of the Junior Engineering Technical Society and is the unofficial representative of the Founder Societies as well as the AIME Member Societies.
FINANCE

You are invited to review the audited financial statement for the AIME Corporation for 1998 (ending November 30, 1998), which includes required new reporting for the endowment funds of not-for-profit organizations, contained on pages 15-24 of this report. AIME assets increased from $15.8 million at the end of fiscal year 1997 to $21.3 million at the end of fiscal year 1998, which includes $5.6 million in undistributed funds from the proceeds of the sale of the UFC.

During 1998 AIME completed the outsourcing of the majority of its financial functions and also changed the investment banking firm which manages the endowment fund.

IN MEMORIAM

It is with deep personal sorrow as well as a great sense of ongoing loss to AIME that I again note the untimely deaths of dear friends and colleagues Alfred Weiss, AIME Executive Director and Richard R. Klimpel. Both men were past presidents of SME, were recognized in their respective fields, and each made significant contributions to SME and AIME.

IN APPRECIATION

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 the many fine people who comprise the AIME family, and to have had the privilege of representing AIME on many auspicious occasions. I reflect with great affection on my visits to the local sections and on the opportunity to strengthen AIME’s ties with the Member Societies and with the other Founder Societies.

I appreciate the cooperation of the Board of Trustees of AIME. I also extend my sincere appreciation to the Member Societies’ Boards of Directors and their Executive 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 my friend, the 1999 AIME President, Paul G. Campbell, Jr. and the new Board of Trustees, all of whom are depicted on the following pages. It has been my ‘labor of love’ and my wish for the future that AIME will continue to carry out its longstanding mission and strengthen the foundational principles that uplift all engaged in the honorable profession of Engineering.
Officers and Trustees

AIME

OFFICERS AND TRUSTEES 1999

OFFICERS

PRESIDENT AND TRUSTEE

Paul G. Campbell, Jr. is Vice President Operations of Alumax Primary Aluminum Company, one of the world's leading primary aluminum companies. He has been associated with Alumax since 1978 when he joined the management cadre responsible for engineering, construction and startup of the Mount Holly company. Prior to his association with Alumax, he held key management positions with Revere Copper and Brass Corp. Mr. Campbell is a graduate of Clemson University with a BS in Chemical Engineering and he earned his MBA from Jacksonville State University. He is the author of numerous technical articles, as well as editor of Light Metals, technical handbook of the aluminum industry. His industrial honors include service as vice president and director of The Minerals, Metals & Materials Society as well as membership in the American Institute of Chemical Engineers and ASM International. Mr. Campbell is very active in educational and community affairs and in 1993 Governor Carroll Campbell appointed him to a two-year term as chairman of the Board of Regents, "Leadership in South Carolina." He was the 1996 TMS President.

PRESIDENT-ELECT AND TRUSTEE

Robert E. Murray is president, ceo and owner of The Ohio Valley Coal Company, Maple Creek Mining, Inc.; Energy Resources, Inc.; American Coal Sales Co.; Powhatan Transportation Center; West Virginia Resources, Inc.; Oneida Coal Co., Inc.; and MonValley Transportation Center, Inc. Mr. Murray is also a passive investor in Ken American Resources, Inc. He served in most supervisory and executive positions with North American Coal Corp. between 1956 and 1987, including president and ceo. He is a graduate in mining engineering from Ohio State University and of Harvard University's Advanced Management Program. He is a past president and director of the Society for Mining, Metallurgy, and Exploration, Inc.; Rocky Mountain Coal Mining Institute, and North Dakota Lignite Council. He is a director of the National Mining Association and National Coal Association and the Pennsylvania and Ohio coal associations.

PAST PRESIDENT AND TRUSTEE

Roy H. Koerner: 1995 SPE President, recently retired from Texaco Exploration Inc. in Denver, Colorado. After earning a BS degree in petroleum engineering from the University of Tulsa in 1958, he joined Texaco as a field engineer and earned his MS degree in petroleum engineering from Louisiana Tech University in 1968. Mr. Koerner held many engineering and management posts during his career including division engineer, assistant to the general manager and division manager. He has held many SPE positions since joining as a student in 1957; he was section chairman in Midland, Texas and was elected to the SPE Board of Directors in 1989. He served and chaired several task forces and subsequently began his three year officer term as president-elect in 1993. Koerner was elected Distinguished Member in 1995 and was elected Vice President of the SPE Foundation in 1996.
**President-Elect Designate and Trustee**

**Grant P. Schneider** is Manager of Traffic, Transportation, Reclamation and Mining Services for Rouge Steel Company, Dearborn, MI. He joined the Steel Division of Ford Motor Company in 1960 and held various managerial positions in engineering and operations. With the independent acquisition of the steelmaking facilities of Ford in 1989, Mr. Schneider assumed the commercial responsibilities he now has and most recently added mining services to his activities. He holds a bachelor's degree from the Georgia Institute of Technology, an MBA from the University of Detroit and has completed postgraduate work in metallurgy and finance from the University of MI. Mr. Schneider is a graduate of the Senior Executive Program of Ford. He is a past chairman of the Steelmaking Division of the Iron & Steel Society, a past president of the ISS, the recipient of the ISS President's Citation Award for meritorious contributions to that society, a former member of the AIME Board of Trustees, a life member of the Association of Iron and Steel Engineers and a member of the Propeller Club of the US, Port of Detroit.

**Trustees**

**James W. Boyd** is president and CEO of John T. Boyd Company (BOYD). He earned a BS in engineering of mines from West Virginia University in 1968. He worked for CONSOL Inc. from 1966 through 1971 in UMWA labor and mine management capacities. Jim joined BOYD in 1971 as a mining engineer. Elected President of SME in 1993, Jim's service and recognition with SME includes Coal Division Distinguished Service Award Recipient, 1995; Chairman - Coal Division in 1992 and Pittsburgh Section in 1985; Board of Directors, 1992-1993; Program Committee; Woomer Award Committee, and served on Professional Registration Committee. Jim's other memberships include National Coal Council, Board of Directors of the National Mining Hall of Fame and the National Mining Association; Board of Governors of Manufacturers and Services Division National Society for Professional Engineers. He is also on the Visiting Committee for the West Virginia University College of Mineral and Energy Resources; COMERAC president 1993; former board member of the Engineers Society of Western Pennsylvania and Governing Board member. Jim is the author of Fundamentals of Coal and Mineral Valuations, 1986.

**Euel R. Cutsail** is manager of the Manufacturing Technology Laboratory of Reynolds Metals Co. He earned his BS in chemistry and mathematics from the University of North Alabama and his PhD in physical chemistry from the University of Florida. At Reynolds Metals his R&D responsibilities include activities dealing with extractive metallurgy, process metallurgy and optimization, process automation, data acquisition and analysis, among others. Prior to joining Reynolds Metals Company he served as an officer in the US Army, trained at the army's chemical school at Fort McClellan. Dr. Cutsail's research interests include the fields of carbon anode technology and environmental science. He was instrumental in developing the Reynolds' spent potliner treatment process. He holds several patents and is the author of numerous articles. He has served as chair of the Light Metals Division of TMS and on the division's Aluminum Committee as well as the Light Metals Division Council. He has also been a member of the Society's Honors and Awards, Membership Development, and Programming Committees. Dr. Cutsail is TMS President-Elect.

**Robert C. Freas** is Senior Vice President, Sales and Marketing, of Franklin Industrial Minerals, Nashville, Tennessee. Mr. Freas joined Franklin in 1985 as Vice President, Marketing and was promoted to his current position in October 1993. Prior to joining Franklin he was Director of Operations and Corporate Secretary of Limestone Products Corporation, Sparta, NJ; he was also Director of Research and Corporate Development before moving into operations. Mr. Freas' prior experience includes Chief Geologist for Dravo Corporation, Pittsburgh, PA and worked as an engineering geologist. He holds a BS in Geology from Baldwin-Wallace College, an MS from Miami University and an MBA from Rutgers University. He has been an active member of SME and was the 1994 President of the Society. He served on the Board of Directors from 1986-1989 and 1991 to the present, was Chairman of the Industrial Minerals Division in 1986; was Chairman of the GEM Committee, Mining Engineering Committee, Membership Committee and was Vice President, Finance 1991 and 1992. Freas has also been an active author for SME and other technical publications including co-authoring three chapters in the 6th Edition of Industrial Minerals and Rocks. He is a registered professional geologist and an active member of several professional associations.
**Officers and Trustees**

**Dennis E. Gregg** was vice president of international exploration and production with Conoco Inc. when he retired in 1993. His career with Conoco began in 1950 upon graduation from Colorado School of Mines as a petroleum engineer. Following years in the US Gulf Coast region, he was assigned to international operations in 1966 based first in New York and subsequently in London, Stavanger, Norway and Houston. He was project engineer on Conoco's first overseas development, in Dubai, and general manager of the company's first North Sea oil development. He was president of Conoco Norway, Inc. in 1980-1982. His responsibilities in Houston after 1982 included most of Conoco's overseas exploration and production operations. He has been active in SPE since his student days, serving as section chairman in London, on the Board of Directors and as President in 1986. He was awarded SPE's DeGolyer Distinguished Service Medal in 1996. Gregg was on the AIME Board in 1985-87 and chairman of the Offshore Technology Conference in 1992-1993. He is now treasurer of the SPE Foundation.

**T. Scott Hickman** is President of T. Scott Hickman & Associates, Inc., a Midland, Texas consulting engineering firm which specializes in reserve evaluations and improved oil recovery studies. After receiving a BS degree in petroleum engineering from Texas Tech University, he worked for Texaco, during which time he earned a MS degree in petroleum engineering from Louisiana Tech. Hickman entered the consulting business in 1968 and started his own firm in 1973. He was a member of the SPE International Board of Directors during 1991-93 and served as the 1997 SPE President. In addition, Hickman was the 1987 President of the Society of Petroleum Evaluation Engineers and has been recognized by Texas Tech University as a Distinguished Engineer and Distinguished Alumnus.

**J. Wayne Jones** is associate dean for undergraduate education in the College of Engineering and a professor in the Department of Materials Science and Engineering at the University of Michigan. He earned his BS in engineering physics at Western Kentucky University and his MS and PhD in materials science at Vanderbilt University. Prior to joining the staff of the University of MI, Dr. Jones served as a postdoctoral associate for the National Research Council of the US Air Force Materials Laboratory. While at the University of MI he also served as a visiting scientist at the US Air Force Materials Laboratory and Wright Laboratory. He is currently participating in a four-university consortium for the Air Force Office of Scientific Research on gamma titanium aluminitides. Other current research activities are for the National Science Foundation, the Ford University Research Fund and for Ford Motor Company. He has published numerous journals and conference articles. A member of TMS since 1973, Dr. Jones has served at the Board level since 1990. He has been the TMS financial planning officer, chair of the Student Affairs Committee, a member of the TMS Foundation Board of Directors, president of the Detroit Section, and is the 1999 TMS President.

**Robert (Bob) J. Jones** is superintendent, cold sheet mill at Sparrow Point Division of the Bethlehem Steel Corporation. He joined Bethlehem Steel as a member of the 1966 Loopier Program. Mr. Jones held various management positions in the steelmaking departments of Bethlehem Steel's Johnstown and Bethlehem, PA plants. He was named BOF superintendent in 1980 and then manager of technical services at the Bethlehem Plant. In 1983 he became superintendent of the Sparrows Point steelmaking operation and was named to his current position in 1993, responsible for cold rolling and coating operations. He received a BS in mechanical engineering from Villanova University and is a graduate of Stanford University's Executive Program. Mr. Jones serves on the Board of Directors of "Double G Coating." He has been a member of the Iron & Steel Society since 1976 serving as chairman of the Society's Eastern Section, chairman of the Steelmaking Division and as a member of the Board of Directors. He is currently President-Elect of ISS.
**Michael D. Sullivan** is Director of Conversion and Semi-Finished Sales for Allegheny Ludlum, an Allegheny Teledyne Company. Mr. Sullivan joined Teledyne Alvac as a plant manager responsible for operations, technology, production planning, engineering and maintenance, and human and industrial relations. He became general superintendent due to the merger of Teledyne and Allegheny Ludlum. Prior to Allegheny Teledyne he worked for Crytemp/Amoco and as vice president of operations was responsible for operations, technology, engineering, environmental and maintenance for ingot and forged, bar and shape, and precision rolled products. He is a graduate of Lehigh University with a BS in metallurgical engineering. After graduation he went to work for Carpenter Technology, where he held positions with increasing responsibility for twenty years. Mr. Sullivan is a Director of the Iron & Steel Society, is past chairman of the Electric Furnace Division, past membership chairman, and is 1999 president of the society. He is a member of the American Society for Metals, a life member, director, and past president of the Electric Metal Makers Guild.

**John K. Hammes, AIME Vice President-Finance**, consults in the international mining industry. He retired as chief operating officer and a director of Santa Elena Gold Corporation in July, 1996. He was responsible for Cibinco’s metals and mining business from 1968 to 1994. From 1965 to 1968 he was employed in the Metal Mining Division of Kennecott Copper. Mr. Hammes received his bachelor’s degree from the University of Missouri and his MS and PhD in mining engineering from the University of Minnesota. He is past chairman of the NY 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. In 1996 he was elected to the United Engineering Board of Trustees; now the United Engineering Foundation Board of Trustees, where he serves as treasurer.

**Nellie E. Guernsey, AIME Acting Executive Director and Secretary**, assumed this assignment in August 1998. Since 1981 she has been a vice president of Mineral Systems International in Stamford, CT and is a principal of Guernsey Management Services. Her prior experience includes Kennecott Copper Corporation where she specialized in economic and financial evaluations of mineral properties; at Exxon Corporation she was a non-ferrous commodity analyst. She has a BS in earth sciences and an MBA plus graduate studies in mining engineering at the Henry Krumb School of Mines. Ms. Guernsey has been a member of SME for 25 years and is a past chair of the Minerals Resources Management Committee; she is also active in the local SME section as well as in APCOM.
AIME celebrated its 127th Annual Meeting in Toronto, Canada, March 22-25, 1998, in conjunction with the Annual Meeting of the 81st Steelmaking and 57th Ironmaking Conferences of the Iron & Steel Society (ISS). The Sheraton City Centre Toronto was the headquarters hotel for both AIME and ISS. The All-Institute keynote session and the ISS technical sessions were held at the Sheraton City Centre Hotel.

Annual Meeting activities designed to appeal to all attendees commenced with the Keynote Session on Monday, March 23 at 8:30 A.M. Revolutionary Leadership in Steel was the focus of attention of the three distinguished speakers:

- David S. Borrellino, vice president of manufacturing of Dofasco, explained that the key competitive advantage related to steelmaking technology will lie not in the technology itself, but in the ability to leverage technology as relating to people through change in company culture and training.

- Andrew G. Sharkey, president and chief executive officer of the American Iron and Steel Institute (AISI), said that “our business simply stated, is to promote steel as the material of choice.” He described the two most well-known programs through which the steel industry is trying to maintain and build markets: the ultralight steel body (ULSAB) and The Steel Alliance.

- H. Duff Hunt, vice president of recycled products of Chaparral Steel, discussed the growing steel industry markets and the importance of empowering employees to further this end. Chaparral entered new markets through the promotion of 100 percent recyclability with efforts such as Project STAR - the premise is that everything produced will be a useful product or a raw material (January 1998 Iron & Steelmaker (I&SM), pp. 29-33).

Leonard G. Nelson, AIME President, was moderator of the Keynote Session.

The 127th AIME Annual Banquet and Awards Ceremony was held on Monday evening, at the Sheraton City Centre Hotel. Mike Carbone, one of Canada’s premier comedy-magicians was master of ceremonies for the awards program during which the major AIME Awards were presented and Honorary Membership was conferred. 1997 President Leonard G. Nelson handed out the Awards. The winners of honors and awards and the honorary members are listed on the following pages. Following the ceremony, Mr. Roy H. Koerner was installed as 1998 AIME President.

The 128th AIME Annual Meeting will be held at the Renaissance St. Louis Hotel, St. Louis, Missouri, March 13-14, 1999. The AIME Annual Banquet and Awards Ceremony will be held on Monday evening, October 4, 1999, in conjunction with the 1999 Annual Technical Conference and Exhibition of the Society of Petroleum Engineers (SPE), in the Imperial Ballroom of the Hyatt Regency Hotel, Houston, Texas.
Recipients of Honors and Awards Presented by AIME in 1998

1997 HONORARY MEMBERS

R. Lyn Arscott

“For distinguished contributions to and leadership in advancing the commitment of the worldwide oil and gas industry to health, safety and environmental issues and for his efforts in supporting the global initiatives of the Society of Petroleum Engineers.”

John K. Hammes

“For exceptional contributions to the Institute for over twenty years as its Chief Financial Officer and dedicated service as a United Engineering Trustee leading to the sale of the United Engineering Center and restructuring of the UET for the betterment of the engineering profession.”

Arlie M. Skov

“For career-long accomplishments in the fields of improved recovery, production operations, and field development and for tireless efforts to enhance the petroleum engineering profession.”

JAMES DOUGLAS GOLD MEDAL

John Edward Dutrizac

“For his outstanding contributions and achievements in research and development related to the processing of zinc and lead, the electrefining of copper and the treatment of metallurgical effluents to control iron and thiosalts, and for his dedicated service to the metallurgical profession.”

BENJAMIN F. FAIRLESS AWARD

J. Keith Brimacombe

“Awarded Posthumously/ISS

“For his excellence in the application of fundamental research to the improvement of steelmaking processes, and for energetic and innovative leadership to the steelmaking community.”

HAL WILLIAMS HARDINGE AWARD

Ihor A. Kunasz

“In recognition of his outstanding achievements in the evaluation, development and extraction of Lithium brines and for past contributions and service to the Industrial Minerals Division.”

ANTHONY F. LUCAS GOLD MEDAL

Andre G. Journel

“For advancements in reservoir characterization, stochastic modeling, and assessment of uncertainty in performance forecasts, and in recognition of his contributions to the practice and technique of locating and predicting petroleum.”

ROBERT EARL McCONNELL AWARD

R. Lyn Arscott

“For achieving practical, innovative solutions to environmental, safety, and health issues in the oil industry, leading to improved standards of living worldwide.”

ERSKINE RAMSAY MEDAL

Irl F. Engelhardt

“For his natural stewardship in successfully guiding the merger of the National Coal Association and the American Mining Congress into the National Mining Association, his continual dedication in nurturing his employees and his and pursuit in educating the public on the benefits of the mining industry.”
Honors and Awards

**CHARLES F. RAND MEMORIAL GOLD MEDAL**

**Douglas C. Yearley**
Phelps Dodge Corporation

“For his outstanding leadership in making Phelps Dodge the world’s largest producer of copper processing using SX/electrowinning technology, and in the development of copper casting processes, including a technology that has since become the model for the production of continuous-cast copper rod.”

**ROBERT H. RICHARDS AWARD**

**Ronald L. Wiegel**
University of Minnesota/SME

“For bridging the gap between theory and practice as demonstrated by his effectiveness in process simulation, plant computer control and process innovation.”

**WILLIAM LAWRENCE SAUNDERS GOLD MEDAL**

**Donald V. Fites**
Caterpillar Inc.

“For outstanding and vigorous leadership of Caterpillar Inc., increasing its competitiveness while guiding the development of new, more efficient and safe mining equipment for a global mining industry.”

**AIME DISTINGUISHED SERVICE AWARD**

**George S. Ansell**
Colorado School of Mines/TMS

“In recognition of years of exemplary and dedicated service to AIME as a Director, as an AIME Trustee on the UET Board and for his leadership efforts in down-sizing the Engineering Societies Libraries, and resolving other issues thereby strengthening the UET and the Founding Societies.”

**ROSSITER W. RAYMOND MEMORIAL AWARD**

**Paul J. Taylor**
ARCO Alaska, Inc./SPE

**Title of Paper**
“Modeling the US Oil Industry: How Much Oil Is Left?”

**MINERAL INDUSTRY EDUCATION AWARD**

**Robert S. Schechter**
University of Texas, Austin/SPE

“In recognition of the breadth and depth of his many distinguished contributions to mineral engineering education and industry through excellence in teaching, research and publications.”

**MINERAL ECONOMICS AWARD**

**Donald W. Gentry**
Colorado School of Mines/SME

“For his enduring contribution to the development of Latin America’s minerals sector through work on mineral codes, laws, and taxation policies.”

**AIME ENVIRONMENTAL CONSERVATION DISTINGUISHED SERVICE AWARD**

**Gregor Norgaard**
United States Filter Corporation

“In recognition of his outstanding leadership in the development and implementation of facilities to treat waste and recover metals and inorganic materials.”
AIME Past Presidents

Active List


AIME Honorary 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.

Legion of Honor Fifty-Year Members—Class of 1948
206 Society Members added

Society for Mining, Metallurgy and Exploration – 62 members

Wayne J. Ahi
John D. Allen
Lloyd E. Antonides
Carl W. Appelin
Anders F. Augustsson
Floyd J. Balentine
Arthur F. Beynon
Douglas J. Bourne
Everett O. Bracken
Edward H. Brunley
Guido E. Caglioni, Jr.
Donald O. Carlson
Nicholas Chlumecky
Elton Clark
J.P. Dempsey
Stewart H. Folk
Robert E. Franz
Gerald R. Gabell
C. Taal Graves
Eugene W. Grutt, Jr.
Cloyd H. Herline
Charles D. Hoyt
Edwin B. Johnson
William P. Johnson
Herman E. Knight
Monro B. Lanier, Jr.
Arthur W. Larkenau
Kenneth A. Lehrer
Jimmie A. Little, II
John H. Lucas
Charles E. Melbye
Gordon M. Miner
Arthur C. Most, Jr.
Daniel E. Pickett
Lloyd Pollock
Philip P. Powers
Joseph S. Quinn
Edward F. Raffo
Kenneth M. Reim
Gordon L. Roberts
Robert J. Russell
Robert T. Sanden
LeRoy Scharon
John E. Schumacher
Derek C. Shelton
Richard R. Smith
Werner Spross
Louis P. Sarick
Ronald B. Stone
Simon D. Strauss
Richard Strong
I. Robert Taylor
Joseph Tibolla
Harry L. Washburn
William L. Weary
John P. Weir
Leroy K. Wheelock
Everett M. White
James A. Williams
Fred G. Wise
David A. Zegeer

The Minerals, Metals & Materials Society – 36 members

John Anderson
Frederick J. Brown, Jr.
Linton Bylund
Howard Cannon
Carl G. Carlsone
Roland Garrecker
Robert Gcch
Charles Cook
Philip Dampf
Howard Davis
Louis Demer
George Eichelman
Hans Elvaner
Howard Fiedler
Norman Geist
Paul Gordon
Joseph Hersh
Edward Keller
George Kelley
Morris Kolodney
Albert Lee
David Lille
Lowell Lloyd
Robert Lund
William Manly
Carl McGaure
Wilfred Nagel
Jackson Nichols
Robert Randall
John Schloen
Italo Servi
Joseph G. Sevick
Charles Smith
Chester Spencer
Joseph B. Sutton
Raymond Tate

Iron & Steel Society – 14 members

Harry L. Anderson
D.J. Carney
Paul L. Chester
Robert B. Corbet
D.H. Fleming
Paul R. Gourcers
Lee Hamermschmidt
Raymond H. Hayes
William D. Manly
Richard G. Phelps
T.B. Preston
Robert Talmage

Society of Petroleum Engineers – 94 members

Forest Allen
George Allman
R. Barton
H. Benischek
C. Blumberg
H. Bolton
Barrett Booth
John Brack
Kermit Brown
David Burgess
William Carson
Lee Carter
Ben Caudle
Aaron Cawley
William Clements
William Clifford
John Cox
T. Cramer
James Crawler
J. Crittenden
J. Crowder
Harry Derrick
Mike Dillingham
Chester Doyle
Harry Dreher
Walter Eickmeyer
Jack Elenhaus
Paul Fairchild
R. Fernandez
Sylvester Fisher
James Frick
Paul Gassett
Jesse Graner
Scott Gregory
E. Guerrero
Frank Haines
Paul Hamann
M. Hawkins
John Hendrick
Carl Hobe
Richard Hoeker
William Holland
Harvey Holman
William House
Wallace Howes
Charles Hudson
J. Hunter
John Kerr
Mihran Khayan
C. Kirkpatrick
Carl Kuhn
J. Ladd
W. Landrum
C. Leisk
Robert Lowe
Tom Manue
Jacques Marchal
Harvey McArthur
Dana McCarty
H. Nedom
T. Nelson
John Newman
Robert Parks
B. Payne
D. Perry
Warren Phelps
Byron Plumeley
Floyd Preston
G. Pullin
W. Purcell
Jim Ramsey
Robert Roark
Glenn Sawvel
Gene Scheiman
Paul Shanor
Miller Sheffield
Byron Sims
Robert Smith
John Spencer
Reid Stone
Charles Tarr
Horace Temple
E. Timmerman
Lester Truby
Russell Vlack
Alfred Vogel
Billie Walden
E. Walker
T. Ward
Robert Whiting
C. Whitaker
Malcolm Wilson
John Younger
John Yuronka
On behalf of the WAAIMEs, I would like to take this opportunity to thank you for allowing me to address AIME in this publication. This past year has been an exciting and beneficent year for the WAAIMEs in several ways, and a difficult year, as well.

One of the exciting changes is, of course, the new office space that AIME graciously allows us to share with them and the other founder societies. It was wonderful to see all the changes in the office space as it was converted from bare walls to a beautifully decorated, professional office with a fantastic view. I enjoyed my trips to New York to see its progress. The WAAIME organization would like to thank all AIME members for allowing us to be a part of this move to this very prestigious Park Avenue address.

Another remarkable event that has greatly benefited the WAAIMEs, is the great stock market which has allowed us to grant the largest amount and greatest number of scholarship/loans in WAAIME history, I believe. Nationally, we funded scholarship/loans for 59 college and graduate students, in an amount totaling in excess of $200,000. In addition, many of our local sections funded scholarship/loans and grants. Additionally, the National Board agreed to the allocating of funding for students in Mexico for the 1999-2000 school year. (Additional funding plans for our section in Peru are currently being studied.) During the past year, WAAIME funded several emergency grants from our Chest Fund for students for unexpected emergencies, or a school-related need.

Our Education for Tomorrow program has also been expanded due to the largeness of the stock market to include an Essay Contest on "My Favorite Mineral," mineral bookmarks printed in English and Spanish, library resource grants to local sections to assist their schools and programs, and various library materials for distribution to local elementary and secondary schools, and public libraries. The WAAIME membership believes that it is imperative that we encourage the study of the Earth Sciences for our elemen-
tary and secondary students in order to attract high-level college students to these majors. We are hoping the stock market continues its meteoric rise into the next century so that we will be able to increase the amount of funding for our various programs.

The WAAIMEs also express our condolences for the pivotal losses AIME had in its membership during the recent year. It is difficult to lose that much talent from any organization. We continue to be supported by our staunchest members, a proportionately increasing, well-experienced population group, as well, who have also become decimated and devastated by key losses. Our biggest concern then becomes the replacement of membership, particularly with younger members to execute our programs. Unfortunately, industry has not been co-operative in assisting us in this pursuit, as more jobs are going overseas, and downsizing or closing of facilities is another harsh reality. Recruitment of membership is the greatest challenge WAAIME faces for the next century. In listening to the various speakers from AIME and its member societies, it is apparent that this endeavor is not ours alone. It would be nice if we could accomplish this goal together.

Our best wishes for a prosperous and productive year and for the next millennium.

[Signature]

THE PURPOSES AND GOALS OF WAAIME

The purposes and goals of WAAIME as set forth in its Certificate of Incorporation are:

1. To render service to the country and to the community through all that pertains to the interest of the profession of Mining, Metallurgical, and Petroleum Engineering.

2. To promote interchange of ideas and work amongst members.

3. To secure and maintain a fund for the purposes of voluntarily assisting promising young men and women to obtain a technical education in Mining, Metallurgical, and Petroleum Engineering, or allied subjects.
Report of Independent Accountants

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

In our opinion, the accompanying statements of financial position and the related statements of
activities and cash flows present fairly, in all material respects, the financial position of the
AMERICAN INSTITUTE OF MINING, METALLURGICAL, AND PETROLEUM ENGINEERS,
INC. ("AIME") at November 30, 1998 and 1997 and the changes in its net assets and its cash flows
for the years then ended in conformity with generally accepted accounting principles. 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 audit of these
statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and
significant estimates made by management, and evaluating the overall financial statement
presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

January 8, 1999
**Financial Statements**

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

**Statements of Financial Position**

*November 30, 1998 and 1997*

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note 2)</td>
<td>$578,168</td>
<td>$912,399</td>
</tr>
<tr>
<td>Accounts receivable from member societies</td>
<td>9,382</td>
<td>10,358</td>
</tr>
<tr>
<td>Accrued interest and dividends receivable</td>
<td>69,251</td>
<td>66,022</td>
</tr>
<tr>
<td>Inventory of books</td>
<td>14,900</td>
<td>23,001</td>
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<tr>
<td>Prepaid expenses (Note 7)</td>
<td>223,759</td>
<td>194,945</td>
</tr>
<tr>
<td>Loans receivable from member societies (Note 3)</td>
<td>82,430</td>
<td>138,079</td>
</tr>
<tr>
<td>Investments at market quotations (Notes 2 and 4)</td>
<td>20,147,845</td>
<td>14,206,133</td>
</tr>
<tr>
<td>Advance to United Engineering Trustees, Inc. (Note 5)</td>
<td>265,000</td>
<td></td>
</tr>
<tr>
<td>Leaschold improvements, equipment, furniture and fixtures, at cost, less accumulated depreciation of $10,393 and $41,700</td>
<td>129,494</td>
<td>15,791</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$21,255,229</strong></td>
<td><strong>$15,831,728</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES and NET ASSETS:</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$73,290</td>
<td>$87,197</td>
</tr>
<tr>
<td>Grants payable to member societies (Notes 2, 5 and 8)</td>
<td>6,130,156</td>
<td>592,500</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>6,203,446</strong></td>
<td><strong>679,697</strong></td>
</tr>
<tr>
<td>Net assets (Notes 2 and 9):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>375,195</td>
<td>1,160,469</td>
</tr>
<tr>
<td>Designated for long-term investment</td>
<td>11,780,679</td>
<td>11,357,375</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>15,051,783</strong></td>
<td><strong>15,152,031</strong></td>
</tr>
</tbody>
</table>

| Total liabilities and net assets | $21,255,229 | $15,831,728 |

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

For the year ended November 30, 1998 and 1997

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue and gains:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution from UET from sale of UEC (Note 5)</td>
<td>$8,298,851</td>
<td></td>
</tr>
<tr>
<td>Investment return (Notes 2 and 4)</td>
<td>1,498,316</td>
<td>$1,469,777</td>
</tr>
<tr>
<td>Offshore Technology Conference fees</td>
<td>88,886</td>
<td>55,402</td>
</tr>
<tr>
<td>Dues and assessments from member societies</td>
<td>23,596</td>
<td>25,207</td>
</tr>
<tr>
<td>Sale of books and publications</td>
<td>40,064</td>
<td>45,710</td>
</tr>
<tr>
<td>Royalties and other revenue</td>
<td>116,771</td>
<td>63,086</td>
</tr>
<tr>
<td>Net assets released from restrictions (Note 10)</td>
<td>65,973</td>
<td>121,802</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>10,132,457</td>
<td>1,780,984</td>
</tr>
<tr>
<td><strong>Expenses (Note 11):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to member societies from sale of UEC (Note 5)</td>
<td>8,167,322</td>
<td></td>
</tr>
<tr>
<td>Special projects</td>
<td>1,210,973</td>
<td>706,312</td>
</tr>
<tr>
<td>Federation support</td>
<td>249,160</td>
<td>215,910</td>
</tr>
<tr>
<td>Medals and awards</td>
<td>144,704</td>
<td>122,505</td>
</tr>
<tr>
<td>Meetings</td>
<td>137,965</td>
<td>104,663</td>
</tr>
<tr>
<td>Books and publications</td>
<td>78,384</td>
<td>99,747</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>9,988,508</td>
<td>1,249,137</td>
</tr>
<tr>
<td><strong>Supporting services—management and general</strong></td>
<td>505,919</td>
<td>346,540</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>10,494,427</td>
<td>1,595,677</td>
</tr>
<tr>
<td><strong>Change in unrestricted net assets</strong></td>
<td>(361,970)</td>
<td>185,307</td>
</tr>
<tr>
<td><strong>Temporarily Restricted:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment return (Notes 2 and 4)</td>
<td>327,695</td>
<td>320,991</td>
</tr>
<tr>
<td>Net assets released from restrictions (Note 10)</td>
<td>(65,973)</td>
<td>(121,802)</td>
</tr>
<tr>
<td><strong>Change in temporarily restricted net assets</strong></td>
<td>261,722</td>
<td>199,1899</td>
</tr>
<tr>
<td>Change in total net assets</td>
<td>(100,248)</td>
<td>384,496</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>15,152,031</td>
<td>14,767,535</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$15,051,783</td>
<td>$15,152,031</td>
</tr>
</tbody>
</table>

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

Statements of Cash Flows

For the year ended November 30, 1998 and 1997

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(100,248)</td>
<td>$384,496</td>
</tr>
<tr>
<td>Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,230</td>
<td>5,094</td>
</tr>
<tr>
<td>Loss on disposition of fixed assets</td>
<td>7,037</td>
<td></td>
</tr>
<tr>
<td>Net realized and unrealized appreciation on investments</td>
<td>(1,461,421)</td>
<td>(1,462,215)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>(3,229)</td>
<td>(20,669)</td>
</tr>
<tr>
<td>Accounts receivable from member societies</td>
<td>976</td>
<td>(2,669)</td>
</tr>
<tr>
<td>Inventory of books</td>
<td>8,101</td>
<td>14,497</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(28,814)</td>
<td>(124,713)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(13,907)</td>
<td>(15,400)</td>
</tr>
<tr>
<td>Accounts payable to member societies</td>
<td>5,537,656</td>
<td>96,200</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>3,953,381</td>
<td>(1,125,379)</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>29,780,046</td>
<td>13,682,745</td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>(34,260,537)</td>
<td>(11,980,310)</td>
</tr>
<tr>
<td>Repayment of loans receivable from member societies</td>
<td>55,649</td>
<td>52,408</td>
</tr>
<tr>
<td>Repayment of advance to UET</td>
<td>265,000</td>
<td></td>
</tr>
<tr>
<td>Purchase of leasehold improvements, equipment, furniture and fixtures</td>
<td>(127,970)</td>
<td>(1,475)</td>
</tr>
<tr>
<td>Net cash (used in) provided by investing activities</td>
<td>(4,287,612)</td>
<td>1,753,368</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of loan payable on behalf of UET</td>
<td></td>
<td>(14,477)</td>
</tr>
<tr>
<td>Net cash used by financing activities</td>
<td></td>
<td>(14,477)</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(334,231)</td>
<td>613,512</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>912,399</td>
<td>298,887</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$578,168</td>
<td>$912,399</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Notes to Financial Statements

1. Business:

Organized in 1871, the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. (“AIME”) is a membership organization formed to advance, record and disseminate significant knowledge of engineering and the arts and sciences involved in the production and use of minerals, metals, energy sources and materials for the benefit of humankind through its programs and member societies. AIME is a not-for-profit organization exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

AIME’s four member societies are: The Society for Mining, Metallurgy, and Exploration (“SME”), The Minerals, Metals and Materials Society (“TMS”), the Iron & Steel Society (“ISS”), and the Society of Petroleum Engineers (“SPE”). AIME provides funding for overarching programs (programs conducted by AIME that carry out AIME’s purpose) and funding for member-direct programs of the member societies based on their project requirements. The financial statements do not include the accounts of the four member societies.

AIME was one of three societies that founded United Engineering Trustees (“UET”), an organization officially created by an act of the New York State Legislature in 1904 to advance the engineering arts and sciences in all their branches and to maintain a free public engineering library. In addition to AIME, ASME and IEEE; ASCE and AIChE were later added as Founder Societies. The UET owned the United Engineering Center (“UEC”), a building located on East 47th Street in New York City, leased office facilities to AIME, maintained a free public library, and maintained an engineering foundation fund. UET is governed by a Board comprised of three representatives from each of the Founder Societies.

2. Summary of Significant Accounting Policies:

Net Asset Classifications:

AIME reports information regarding its financial position and activities according to three classes of net assets: permanently restricted, temporarily restricted and unrestricted.

- Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit AIME to use the income from the resources for either specified or unspecified purposes.

- Temporarily restricted net assets contain donor-imposed restrictions that permit AIME to use or expend the assets as specified. The restrictions are satisfied by action of AIME.

- Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired. Unrestricted net assets include funds designated by the Board for long-term investment (quasi-endowment).

Cash and Cash Equivalents:

AIME considers all highly liquid investments purchased with maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include $453,730 and $837,071 designated for long-term investment at November 30, 1998 and 1997, respectively.

Investments:

Investments are carried at quoted market values. Interest and dividend income from investments is recorded on the accrual basis. Gains or losses on sale of investments are determined on the basis of identified cost. Such gains or losses related to permanently restricted net assets are allocated to the individual funds on the basis of their relative book values at the end of each quarter.
Notes to Financial Statements

Grants to Member Societies:

Grants for member-direct programs of the member societies are accrued when approved by the Board.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Loans Receivable from Member Societies:

TMS/ISS Headquarters:

During 1978, TMS/ISS obtained a $300,055 loan from AIME’s quasi-endowment funds, 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, 1998 and 1997, the balance of the loan was $2,838 and $19,723, respectively. The loan bore interest at 2.04% per annum at November 30, 1998 and 1997.

SME Headquarters:

During 1979, SME obtained a $467,000 loan from AIME’s quasi-endowment funds, 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, 1998 and 1997, the balance of the loan was $34,592 and $68,356, respectively. The loan bore interest at 2.04% per annum at November 30, 1998 and 1997.

SME Foundation:

During 1992, the SME Foundation obtained a non-interest bearing $50,000 loan from AIME’s quasi-endowment funds. Five years after achieving financial self-sufficiency, and upon request from AIME, the Foundation will repay the $50,000 on a schedule to be determined at that time. During fiscal 1997, the Foundation’s Board approved repaying the loan with payments of $5,000 in 1997 and 1998 and payments of $10,000 per year over the four following years. At November 30, 1998 and 1997, the balance of the loan was $45,000 and $50,000, respectively.

4. Investments:

Investments consisted of the following at November 30, 1998 and 1997:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury securities</td>
<td>$1,794,072</td>
<td>$1,788,460</td>
<td>$1,773,019</td>
<td>$1,776,826</td>
</tr>
<tr>
<td>U.S. Government agencies securities</td>
<td>861,410</td>
<td>868,212</td>
<td>852,570</td>
<td>872,525</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,086,760</td>
<td>1,094,563</td>
<td>1,046,735</td>
<td>1,130,232</td>
</tr>
<tr>
<td>PIMCO low duration (short-term debt) mutual fund</td>
<td>5,634,392</td>
<td>5,634,392</td>
<td>8,842,017</td>
<td>10,426,550</td>
</tr>
<tr>
<td>Equity securities</td>
<td>10,350,972</td>
<td>10,762,218</td>
<td>8,842,017</td>
<td>10,426,550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$19,727,606</strong></td>
<td><strong>$20,147,845</strong></td>
<td><strong>$12,514,341</strong></td>
<td><strong>$14,206,133</strong></td>
</tr>
</tbody>
</table>

- 20 -
Notes to Financial Statements

Investment return and its classification in the statement of activities for fiscal 1998 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends and interest</td>
<td>$356,978</td>
<td>$79,927</td>
<td>$436,905</td>
</tr>
<tr>
<td>Realized gains</td>
<td>2,244,889</td>
<td>488,085</td>
<td>2,732,974</td>
</tr>
<tr>
<td>Unrealized losses</td>
<td>(1,044,464)</td>
<td>(227,089)</td>
<td>(1,271,553)</td>
</tr>
<tr>
<td>Investment advisory fees</td>
<td>(59,087)</td>
<td>(13,228)</td>
<td>(72,315)</td>
</tr>
<tr>
<td><strong>Total return on investments</strong></td>
<td></td>
<td></td>
<td><strong>$1,826,011</strong></td>
</tr>
</tbody>
</table>

Investment return and its classification in the statement of activities for fiscal 1997 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends and interest</td>
<td>$339,945</td>
<td>$74,714</td>
<td>$414,659</td>
</tr>
<tr>
<td>Realized gains</td>
<td>2,273,772</td>
<td>500,486</td>
<td>2,773,722</td>
</tr>
<tr>
<td>Unrealized gains</td>
<td>(1,072,772)</td>
<td>(238,735)</td>
<td>(1,311,507)</td>
</tr>
<tr>
<td>Investment advisory fees</td>
<td>(70,632)</td>
<td>(15,474)</td>
<td>(86,106)</td>
</tr>
<tr>
<td><strong>Total return on investments</strong></td>
<td></td>
<td></td>
<td><strong>$1,790,768</strong></td>
</tr>
</tbody>
</table>

5. Transactions with United Engineering Trustees, Inc. (“UET”):

In accordance with an agreement among the Founder Societies of UET, the Founder Societies were to permanently maintain their respective principal offices in the (UEC) and pay a pro rata portion of the operating costs of the UEC. AIME’s share of these costs during each of fiscal 1998 and 1997 was $56,102 and $74,804, respectively. The agreement also specified that as long as UET remains in existence and performs its corporate functions, the Founder Societies would not have the right to the return of the advances made to the UET ($265,000 for AIME). Such advances would be payable only upon the dissolution of the UET, and then only out of such portion of the reserve fund of the UET as may be appropriated for such purpose by the UET Board. AIME’s advances to the UET bear interest at 4%.

In fiscal 1997, the UET entered into an agreement to sell the UEC for $53,500,000. Pursuant to the agreement, which was approved by the Attorney General of the State of New York in September 1997, the sale proceeds were to be disbursed to the UET Founder Societies.

In October 1998, UET sold the UEC. From the sale proceeds, UET repaid the $265,000 advance to AIME and contributed $8,298,851 to AIME. The proceeds were placed in a separate mutual fund account and AIME’s Board of Trustees approved a plan to distribute the $8,298,851 and accumulated investment income. The plan of distribution provides for the following:

A) $150,000 was retained by AIME for its new AIME Headquarters at Three Park Avenue, New York, NY; and

B) One-third of the remainder was disbursed in October 1998 to the four member societies for them to help carry out the mission of AIME (see Note 1):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SME – (30%)</td>
<td>$839,379</td>
</tr>
<tr>
<td>TMS – (20%)</td>
<td>559,586</td>
</tr>
<tr>
<td>ISS – (20%)</td>
<td>559,586</td>
</tr>
<tr>
<td>SPE – (30%)</td>
<td>839,379</td>
</tr>
</tbody>
</table>

$2,797,930
C) The balance of the funds and accumulated investment income will be distributed to the member societies in the future.

As of November 30, 1998 the balance in the account was $5,634,392, consisting of the $265,000 advance discussed above and $5,369,392 for subsequent distribution to the member societies.

6. **Other Commitments and Contingencies:**

On June 30, 1998, AIME entered into an operating lease agreement for office space at Three Park Avenue, New York, NY. The lease expires on December 15, 2005. Rent expense, consisting of base rent and additional rent for operating expenses, was $12,130 under this lease in fiscal 1998. Prior to October 1998 AIME shared office facilities with UET (see Note 5).

Future minimum lease payments required under operating leases as of November 30, 1998 were as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
</table>

7. **Retirement Income Plan:**

*Defined Benefit 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.

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, through May 1998, Loomis, Sayles & Company, L.P. Plan assets are invested in growth common stocks and fixed income securities.

The funding policy of AIME is to contribute such amounts as are necessary on an actuarial basis to meet the minimum ERISA requirements to fund 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 sheet at November 30, 1997 and 1996:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation, including vested benefits of $704,261 and $680,169, respectively</td>
<td>$706,375</td>
<td>$681,822</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>722,265</td>
<td>693,355</td>
</tr>
<tr>
<td>Plan assets at fair value</td>
<td>695,523</td>
<td>668,204</td>
</tr>
<tr>
<td>Plan assets (less than) projected benefit obligation</td>
<td>(26,742)</td>
<td>(25,151)</td>
</tr>
<tr>
<td>Unrecognized prior-service cost</td>
<td>23,561</td>
<td>31,421</td>
</tr>
<tr>
<td>Unrecognized net loss</td>
<td>115,631</td>
<td>89,829</td>
</tr>
<tr>
<td>Unrecognized net assets at December 1, 1986 being recognized over 12 years</td>
<td></td>
<td>(10,124)</td>
</tr>
<tr>
<td>Prepaid retirement income plan cost included in accrued expenses</td>
<td>$112,450</td>
<td>$85,975</td>
</tr>
</tbody>
</table>
Net retirement income plan cost for fiscal 1998 and 1997 included the following components:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$18,819</td>
<td>$5,874</td>
</tr>
<tr>
<td>Interest cost</td>
<td>50,335</td>
<td>50,661</td>
</tr>
<tr>
<td>Projected return on plan assets</td>
<td>(55,994)</td>
<td>(47,237)</td>
</tr>
<tr>
<td>Amortization of unrecognized prior-service cost</td>
<td>7,860</td>
<td>7,860</td>
</tr>
<tr>
<td>Amortization of transition asset</td>
<td>(10,124)</td>
<td>(10,130)</td>
</tr>
<tr>
<td>Amortization of net loss</td>
<td>4,213</td>
<td>1,737</td>
</tr>
<tr>
<td><strong>Net retirement income plan cost</strong></td>
<td><strong>$15,109</strong></td>
<td><strong>$8,765</strong></td>
</tr>
</tbody>
</table>

For fiscal 1998 and 1997, the projected benefit obligation was determined at a weighted-average discount rate of 7.25% and an assumed rate of increase in future compensation of 5.5%. The expected long-term rate of return on plan assets was 8.5%.

**Defined Contribution Plan.** AIME also participants in a contributory multiple employer defined contribution employee savings plan covering all full-time employees of AIME and its four member societies. AIME contributed approximately $9,500 and $11,200 to this plan in fiscal 1998 and 1997, respectively.

**8. Amounts Payable to Member Societies:**

Amounts payable to member societies consisted of the following at November 30, 1998 and 1997:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME</td>
<td>$62,378</td>
<td>$53,500</td>
</tr>
<tr>
<td>TMS</td>
<td>51,884</td>
<td></td>
</tr>
<tr>
<td>ISS</td>
<td>77,584</td>
<td>104,000</td>
</tr>
<tr>
<td>SPE</td>
<td>568,918</td>
<td>435,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,130,156</strong></td>
<td><strong>592,500</strong></td>
</tr>
</tbody>
</table>

**Amount payable to member societies from the sale of UEC (Note 5) ** 5,369,392

**9. Net Assets:**

Net assets consisted of the following at November 30, 1997 and 1996:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted net assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>$375,195</td>
<td>$1,160,469</td>
</tr>
<tr>
<td>Designated for long-term investment</td>
<td>11,780,679</td>
<td>12,155,874</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,155,874</td>
<td>12,517,844</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Temporarily restricted net assets for the following purposes:</strong></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medals and awards</td>
<td>867,453</td>
<td>770,643</td>
</tr>
<tr>
<td>Books and publications</td>
<td>821,318</td>
<td>753,604</td>
</tr>
<tr>
<td>Scholarships</td>
<td>798,447</td>
<td>701,249</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,487,218</td>
<td>2,225,496</td>
</tr>
</tbody>
</table>

**Permanently restricted net assets are restricted to:**

Investment in perpetuity, the income from which is expendable to support:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>176,363</td>
<td>176,363</td>
</tr>
<tr>
<td>Books and publications</td>
<td>146,000</td>
<td>146,000</td>
</tr>
<tr>
<td>Medals and awards</td>
<td>75,862</td>
<td>75,862</td>
</tr>
<tr>
<td>Unrestricted purposes</td>
<td>10,466</td>
<td>10,466</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>408,691</td>
<td>408,691</td>
</tr>
</tbody>
</table>

**Total net assets** 15,051,783 15,152,031

**10. Net Assets Released from Restrictions:**

Net assets were released from donor restrictions due to the passage of time or by incurring expenses satisfying the restricted purposes specified by the donor as follows for fiscal 1998 and 1997:

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books and publications</td>
<td>$24,343</td>
<td>$57,272</td>
</tr>
<tr>
<td>Medals, awards and scholarships</td>
<td>41,630</td>
<td>30,646</td>
</tr>
<tr>
<td>Other</td>
<td>$65,973</td>
<td>$121,8028</td>
</tr>
</tbody>
</table>
10. Functional Classification of Expenses:

Fiscal 1998 expenses have been classified as programs and supporting services as follows:

<table>
<thead>
<tr>
<th>Grants to member societies</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>from sale of UEC</td>
<td>$8,167,322**</td>
<td>$8,167,322</td>
</tr>
<tr>
<td>Member-direct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>program's grants</td>
<td>1,109,000</td>
<td>$1,109,000</td>
</tr>
<tr>
<td>Payroll and employee benefits</td>
<td>14,123</td>
<td>$1,109,000</td>
</tr>
<tr>
<td>Audit, legal services and</td>
<td></td>
<td>285,314</td>
</tr>
<tr>
<td>other professional services</td>
<td>11,926</td>
<td>254,829</td>
</tr>
<tr>
<td>Medals, awards and</td>
<td></td>
<td>157,278</td>
</tr>
<tr>
<td>scholarships</td>
<td>74,630</td>
<td>157,278</td>
</tr>
<tr>
<td>Federation support</td>
<td>84,186</td>
<td>169,438</td>
</tr>
<tr>
<td>Rent</td>
<td>3,193</td>
<td>68,232</td>
</tr>
<tr>
<td>Overarching programs</td>
<td>65,000</td>
<td>74,804</td>
</tr>
<tr>
<td>AIME Board activities</td>
<td>28,443</td>
<td>22,749</td>
</tr>
<tr>
<td>and retreat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies, postage,</td>
<td>2,645</td>
<td>52,308</td>
</tr>
<tr>
<td>maintenance and repairs</td>
<td>11,754</td>
<td>56,509</td>
</tr>
<tr>
<td>Publication expenses</td>
<td>24,343</td>
<td>57,272</td>
</tr>
<tr>
<td>Meetings</td>
<td>220</td>
<td>21,522</td>
</tr>
<tr>
<td>Insurance</td>
<td>665</td>
<td>13,404</td>
</tr>
<tr>
<td>Free books</td>
<td>12,985</td>
<td>6,473</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,626</td>
<td>5,094</td>
</tr>
<tr>
<td>Other</td>
<td>4,201</td>
<td>103,838</td>
</tr>
</tbody>
</table>

**This amount, $8,167,322, represents a “Special Grant,” it is not in the column total, but is added to the overall total.**
American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc.

In Memoriam
Alfred Weiss  Richard R. Klimpel

The American Institute of Mining, Metallurgical, and Petroleum Engineers is dedicated to advancing the knowledge of engineering in the fields of minerals, metals, materials and manufacturing and energy resources, and to undertaking programs addressing significant needs including education.