

# FINANCIAL HIGHLIGHTS 2006

As noted in the accompanying financial summary, in almost every respect, 2006 was an extremely successful year. Including the ACS Petroleum Research Fund, total net assets increased \$121.8 million, or 14.7 percent. This growth was largely driven by favorable capital market conditions and strong operating results. Unrestricted net assets increased \$71.5 million, attributable in part to an \$11.5 million net contribution, a \$27.6 million gain from investments, and a \$31.9 million recovery of the Society's defined benefit pension plan to a fully funded position.

Total revenues increased 5.0 percent to \$460 million from \$438 million in 2005, while total expenses increased 5.2 percent over 2005. During 2006, the Society increased its investment in information services by record levels to ensure ACS remains the world's leader in providing scientists online and Web access to chemistry-related research data. The Society also increased expenditures for information technology to provide continued support for the growing and diverse needs of the Society's many constituents, including members, technical divisions and local sections.

A copy of the Society's audited financial statements for the year ended December 31, 2006, together with the independent auditor's report thereon, and Management's Statement of Responsibility, can be located at <http://www.chemistry.org/2006financials.html>.

ACS executive compensation is available on <http://www.chemistry.org>. Log on with your chemistry.org member account, click on the Member Information link on the top left hand side of the screen. You will be directed to a page that contains Member Information and Benefits. Look for the link, "Compensation of ACS Officers and Key Employees."

# FINANCIAL SUMMARY

(\$ in thousands)

	2006			2005
	ACS Programs	ACS Petroleum Research Fund	Total	Total
<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 60,812	\$ 7,162	\$ 67,974	\$ 64,863
Accounts and Pledges Receivable	52,964	31	52,995	45,010
Inventories	6,751	—	6,751	6,613
Investments	380,841	585,278	966,119	890,787
Interfund (Payable) Receivable	[8,998]	8,998	—	—
Collateral Held	39,336	32,762	72,098	54,750
Other	21,932	29	21,961	10,373
Buildings, Land, and Other Property	93,749	11	93,760	89,166
<b>Total Assets</b>	<b>\$ 647,387</b>	<b>\$ 634,271</b>	<b>\$ 1,281,658</b>	<b>\$ 1,161,562</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accrued Expenses and Accounts Payable	\$ 58,441	\$ 368	\$ 58,809	\$ 54,217
Deferred Revenues	101,473	—	101,473	98,764
Long-Term Debt	36,980	—	36,980	40,533
Postretirement Benefits and Other	52,707	10,525	63,232	86,058
Collateral Payable	39,336	32,762	72,098	54,750
<b>Total Liabilities</b>	<b>288,937</b>	<b>43,655</b>	<b>332,592</b>	<b>334,322</b>
<b>NET ASSETS</b>				
Unrestricted	312,326	—	312,326	240,808
Temporarily Restricted	24,615	518,116	542,731	493,814
Permanently Restricted	21,509	72,500	94,009	92,618
<b>Total Net Assets</b>	<b>358,450</b>	<b>590,616</b>	<b>949,066</b>	<b>827,240</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 647,387</b>	<b>\$ 634,271</b>	<b>\$ 1,281,658</b>	<b>\$ 1,161,562</b>
<b>STATEMENT OF ACTIVITIES</b>				
<b>REVENUES</b>				
Electronic Services	\$ 312,111	\$ —	\$ 312,111	\$ 286,729
Printed Services	47,081	—	47,081	54,383
Advertising	13,544	—	13,544	13,126
Dues	12,772	—	12,772	12,431
Registration Fees and Booth Sales	12,554	—	12,554	11,259
Member Insurance Premiums, Refunds, Fees	11,723	—	11,723	12,251
Investment Income	11,584	392	11,976	8,690
Other	7,269	—	7,269	9,113
Net Assets Released from Restriction	4,221	26,588	30,809	29,807
<b>Total Unrestricted Revenues</b>	<b>432,859</b>	<b>26,980</b>	<b>459,839</b>	<b>437,789</b>
<b>EXPENSES</b>				
Information Services	321,803	—	321,803	307,315
Member Programs and Services	39,448	—	39,448	38,267
Member Insurance Program	13,796	—	13,796	12,834
Grants and Awards	1,189	25,445	26,634	26,351
Administrative	36,874	1,535	38,409	35,655
Other	8,218	—	8,218	5,673
<b>Total Expenses</b>	<b>421,328</b>	<b>26,980</b>	<b>448,308</b>	<b>426,095</b>
<b>Net Contribution</b>	<b>11,531</b>	<b>—</b>	<b>11,531</b>	<b>11,694</b>
Net Investment Gains	27,637	—	27,637	21,392
Over (Under) Funded Pension and Other	32,350	—	32,350	[6,672]
<b>Change in Unrestricted Net Assets</b>	<b>71,518</b>	<b>—</b>	<b>71,518</b>	<b>26,414</b>
Contributions	2,804	1	2,805	4,499
Net Investment Gains	4,838	73,936	78,774	40,242
Net Assets Released From Restriction	[4,221]	[26,588]	[30,809]	[29,807]
Transfer of Net Assets	[204]	[258]	[462]	—
<b>Change in Restricted Net Assets</b>	<b>3,217</b>	<b>47,091</b>	<b>50,308</b>	<b>14,934</b>
Change in Total Net Assets	74,735	47,091	121,826	41,348
Beginning Total Net Assets	283,715	543,525	827,240	785,892
<b>Ending Total Net Assets</b>	<b>\$ 358,450</b>	<b>\$ 590,616</b>	<b>\$ 949,066</b>	<b>\$ 827,240</b>