

**SIGMA XI, THE SCIENTIFIC RESEARCH SOCIETY
REPORT OF THE COMMITTEE ON FINANCES
FOR THE YEAR ENDED JUNE 30, 2002**

The membership of the Committee on Finances for 2001-02 is:

John W. Prados, Chair
S. Gaylen Bradley
David Campbell
Jaleh Daie
Evan R. Ferguson
Marye Ann Fox
W. Franklin Gilmore
Lawrence M. Kushner
Raymond P. Lutz
Richard L. Meyer

The Committee on Finances met on March 15, 2002, in Research Triangle Park, North Carolina, reviewed the performance of Sigma Xi's investments, and recommended a draft budget for FY 2003 to the Executive Committee. The purpose of the Research and Operations Fund is to provide annual support for research and Society operations. The purpose of the Building Fund is to finance construction of the new Sigma Xi Center building.

As of June 30, 2002, the balances in these funds were as follows:

Fund	Cost	Market Value
Research and Operations	\$18,601,563	\$ 15,244,308
Building (Money Market)	\$ 1,566,284	\$ 1,566,284
Total	\$20,167,847	\$ 16,810,592

Dividend/interest yields and total returns, based on cost, for these funds on June 30, 2002 were:

Fund	Dividend and Interest Yield, Percent	Total Return Including Realized Capital Gains, Percent
Research and Operations	1.87	1.71
Building	1.80	1.80

The Research and Operating Fund yields reflect the decision of the Board of Directors to favor long-term growth potential over current yields. Due to continued market decline over the past year, the market value of Sigma Xi Research and Operations Fund decreased by 9.81 percent from July 1, 2001 to June 30, 2002. However, the Committee is confident that, over time, investment performance will return to historical averages.

John W. Prados
Chair