

2003 ASTM International

Annual
Report



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James A. Thomas

Message from the President and Chairman of the Board:

For ASTM International,

2003 was a year in which we

further demonstrated our role

as a **world leader in best-in-class**

standards development and delivery.

We continued to meet the needs

of our stakeholders, who rely on

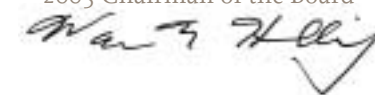
us as an expert and unifying resource

for the timely delivery of high-quality,

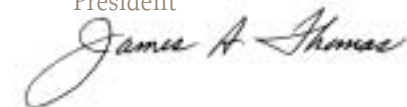
market-relevant standards.

2003
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Wayne N. Holliday
2003 Chairman of the Board



James A. Thomas
President



Enhancing Best-in-Class Processes

In 2003, ASTM International implemented several new initiatives that underscored our commitment to transparency and efficiency in the standards development process. In April, ASTM launched a new Internet-based system designed to register and track draft standards and revisions before and during their balloting stage. Any interested individual, from anywhere in the world, who wants to know whether ASTM is developing or revising a specific standard, can access the information using the new Work Item Registration system.

Work Item System Brings Transparency to New Level

ASTM's Work Item Registration system, which is accessible from the ASTM website, adds a new dimension of openness and transparency to ASTM's consensus standards development process. With the help of the new system, users can perform keyword searches about new standards and revisions, sign up for an e-mail advisory service that provides notification of new work items in their area of interest, and view a committee's jurisdiction for the item in question.

The new system also provides for improved access and involvement for ASTM members around the globe at every stage of the standards development process. With easy access to work items in progress, ASTM members everywhere can have an added impact on the development of standards.

To date approximately 4,000 work items have been registered. Each work item has its own web page containing information on scope, technical contact, and development status as the work item moves into and through the balloting process.

Responding to surveys and feedback from our major stakeholders, ASTM rolled out new online offerings designed to save members and customers time, money and resources. These offerings include

- the availability of redlined, historical and withdrawn standards, which bring a new level of efficiency to the standards development process for ASTM members.

Redlined Standards Offer Quick and Efficient Delivery of Information

In 2003, ASTM further served the needs of our users with the availability of redlined, historical, and withdrawn standards on the ASTM website. Redlined standards are PDF documents that provide a quick and easy way to compare all the changes between an active ASTM standard and its previous version, including additions, deletions, and other changes. A vertical bar appears in the left margin wherever a change has been made to a standard. As its name indicates, a historical standard is an older version of an ASTM standard that has been superseded by a more current version. A withdrawn standard is an ASTM standard that has been discontinued by the committee responsible for it. A standard may be withdrawn with or without replacement. Historical and withdrawn standards are available for informational purposes only.

Currently, approximately 700 redlines and about 4,000 historical standards are available online. With the system for uploading these now in place, these numbers will increase as standards are revised and replaced when new editions are available.

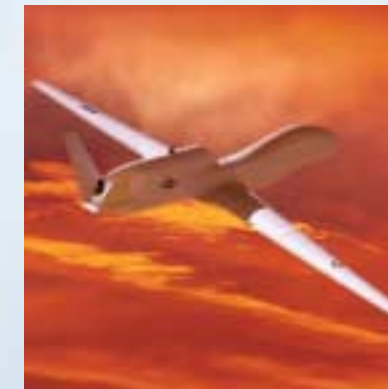


Serving the Needs of Industry

ASTM's long and enduring track record of bringing diverse stakeholders together to achieve common goals once again took center stage in 2003.

The formation of two new ASTM technical committees and the progress made by numerous existing technical committees brought this commitment to the forefront.

- ASTM Committee F38 on Unmanned Air Vehicle Systems (UAVs) was formed in July to develop safety and performance standards for this dynamic field of the aviation industry. F38 brings together a diverse range of stakeholders from around the world including manufacturers of UAVs and their components, federal agencies, design professionals, professional societies, maintenance professionals, trade associations, financial organizations, and academia. The formation of Committee F38 is a shining example of the critical role that standards play in marketplace expansion.



New ASTM Committee Takes Flight

With the 2003 formation of Committee F38 on Unmanned Air Vehicle Systems (UAV), ASTM was at the center of what many consider to be an exciting new era in the aviation industry. Since the 1950s, when UAV development began, applications for UAV systems have principally been military-related. With the advent of new technologies, new generation UAV systems have been developed for use in new government-related applications such as border and port security, as well as the potential use in commercial market applications, including environmental monitoring and research, meteorology, wildlife reconnaissance, natural resource management and agriculture.

Critical to the evolution of the UAV industry is the ability of vehicles to operate commercially in the National Airspace System (NAS). Regulated by the Federal Aviation Administration, NAS access is difficult to obtain without an industry commitment on the development of consensus standards for safety, performance and product proficiency. UAV design standards developed through the efforts of ASTM Committee F38 will help manufacturers to build new air vehicle systems that will fit into the national airspace and operate seamlessly with existing airplane traffic.

January 2003

Bulgarian Institute for Standardization (BDS) signs MOU with ASTM International.

ASTM conducts first Technology Transfer Forum in Mexico City.

February 2003

The national standards body of Singapore, SPRING, signs MOU with ASTM International.

ASTM presents at APEC/PASC Training Program in Singapore.

March 2003

ASTM Student Memberships launched.

ASTM training at Bureau of Standards Jamaica.

Fuels Technology course taught in Ecuador; cosponsored by ASTM International and the national standards body of Ecuador, INEN.

April 2003

Work Item Registration system launched.

Developing Country Summit held at ASTM Headquarters.

The nationwide focus on homeland security was the driving force behind the formation of another new ASTM technical committee.

• **ASTM Committee E54 on Homeland Security Applications** was formed in 2003 at a time of increasing focus on homeland security following the terrorist attacks of September 11, 2001. Committee E54 will play a critical unifying role in the long-term success of homeland security initiatives by facilitating the development of voluntary consensus standards for various security applications.

2003 also brought the 100-year anniversary of ASTM Committee D04 on Road and Paving Materials. Committee D04 has made significant contributions to road paving through the development of test methods and specifications for the design, construction, and maintenance of road



Coordinated Standards Effort for a Safer World

The formation of ASTM Committee E54 on Homeland Security Applications brought together a diverse range of groups from both the public and private sector that have a stake and interest in developing standards that will help protect our world. These stakeholders include representatives from the U.S. Department of Homeland Security, U.S. Environmental Protection Agency, U.S. Secret Service, as well as from security product manufacturers, trade associations and academia.

Recognizing that homeland security is a complex issue requiring coordinated combinations of strategy, management structures, human resources, technology, financial investment, and a comprehensive standards component, government and business leaders hope to build consensus standards under the ASTM umbrella. The efforts of Committee E54 will focus on the development of standards for various homeland security applications including: borders, ports, and transportation systems; advancing and harnessing science and technology; preparing for and responding to national emergencies; and the protection of critical infrastructure.

pavements. At the time of D04's formation in 1903, there were only about 6,000 miles of "improved roads" that had been graded, drained, and surfaced with a hard material in the United States. Comparatively, in 2001, according to statistics compiled by the Federal Highway Administration, there are 3.95 million miles of improved roads in the United States, of which 2.46 million miles have some sort of bituminous surface. Over the last 100 years, the contributions of Committee D04 have helped road construction in the United States and throughout the world.

Celebrating a silver anniversary in 2003 was ASTM Committee F24 on Amusement Rides and Devices, the pre-eminent source of international standards for amusement rides. Formed in 1978, F24's overriding goal remains the same as it has been since its inception: to provide a framework of standards and guides that supports and improves the strong safety record of the amusement industry.

F24's silver anniversary also coincides with the publication of a new world standard for amusement ride design. ASTM F 2291, Standard Practice for Design of Amusement Rides and Devices, was approved in 2003 and is the most comprehensive standard on this subject developed to date. Taking its place on an imposing list of F24 standards for amusement rides, this document took five years to develop and is the result of the collaborative effort of amusement ride experts and interested parties from around the world.



With the ASTM International process providing common ground, competitors often become collaborators in an effort to create standards that impact entire industries. This collaborative spirit was highly active throughout numerous ASTM technical committees in 2003, as evidenced by the release of several new ASTM standards. While these new standards are too numerous to mention completely in this report, examples included the work of ASTM Committee F10 on Livestock, Meat, and Poultry Evaluation Systems, which published its first livestock evaluation standards in 2003. Representatives from equipment manufacturers, livestock packers, government agencies, livestock associations, and academia worked together on two new standards on livestock evaluation and measurement: F 2341, Standard Practice for User Requirements for Livestock, Meat, and Poultry Evaluation Devices or Systems, and F 2342, Standard Specification for Design and Construction of Composition or Quality Constituent Measuring Devices or Systems.

Another important example of cooperation was the efforts of ASTM Committee F17 on Plastic Piping Systems, which developed a new standard that recommends leak testing procedures for pressure pipe. F 2164, Standard Practice for Field-Leak Testing of Polyethylene (PE) Pressure Piping Systems Using Hydrostatic Pressure, was developed through the cooperative efforts of piping manufacturers, consultants, regulators, utility operators, trade-association members, third-party certifiers, academics, and engineers. This standard practice uses a pressurized liquid to test for leaks. It provides information on apparatus, safety, pre-test preparation, and procedures for conducting field tests of polyethylene pressure piping systems to determine if leaks exist in the system.

Formed within ASTM Committee F23 on Protective Clothing, a new subcommittee was established in 2003 to focus on standards for clothing that protects the wearer from radiation. Garments from gloves to footwear will be addressed regarding their shielding properties as well as fullbody protection by this new subcommittee titled F23.70 on Radiological Hazards.

Pursuing Global Cooperation

In 2003, ASTM International continued to reach out to countries throughout the world to increase global input in standards development and reduce barriers to the use of ASTM standards wherever they can be useful.

During the year, we hosted numerous international visitors at our Philadelphia-area Headquarters. Highlights included a visit from Torsten Bahke, the director of Deutsches Institut für Normung (DIN), Germany's national standards body. For many years, ASTM International and DIN have shared a cooperative working relationship.

Following our April board meeting, ASTM hosted a Developing Country Summit for standards leaders from five countries. Represented were the national standards bodies of Albania, Colombia, Jamaica, Uruguay, and Zimbabwe, each of which has signed a memorandum of understanding with ASTM International.



May 2003

Redlined, historical, and withdrawn standards available.

ASTM attends COPANT meeting in Jamaica.

Sri Lanka Standards Institution (SLSI) signs MOU with ASTM International.

June 2003

Panama's national standards body, COPANIT, signs MOU with ASTM International.

Peruvian national standards body, INDECOPI, signs MOU with ASTM International.

ASTM International presents at Trinidad & Tobago Construction Expo & Seminar.

ASTM International presents at Chilean Steel Institute seminar and Peruvian Association of Cement Producers.

July 2003

Morocco's national standards body, SNIMA, signs MOU with ASTM International.

ASTM training session at Colombian national standards body, ICONTEC.

New Committee F38 on Unmanned Air Vehicle Systems formed.

Revised Standards Tracker launched.



Other highlights of our global cooperation efforts were an **Open House for Asia Pacific standards leaders** in September and the hosting of Kenichi Shimosakai of the standards department of the Japanese Standards Association, who participated in a 90-day internship at ASTM Headquarters.

Asia Pacific Standards Leaders Gather for Open House at ASTM

In September, leaders of standards developing organizations from 16 nations gathered together at ASTM International Headquarters for an Open House for Asia Pacific Standards Leaders. Jointly sponsoring the event with ASTM was ASME International and Underwriters Laboratories, in cooperation with the American National Standards Institute and the National Institute of Standards and Technology.

The centerpiece of the program was a cordial and frank interchange of ideas and concerns among the more than 40 participants and speakers, regarding the current and future state of international standardization. The sponsoring and cooperating organizations each presented speakers who educated participants about both the U.S. standards system, and their organizations' methods and goals for creating market-relevant standards and related products and services that enhance public health and safety internationally.

The Open House accomplished a bigger objective well beyond its formal agenda, creating an atmosphere in which issues were aired, valuable information was freely exchanged, and new connections were made among the people who fuel the standardization process in the Asia Pacific region.

In China, ASTM signed two agreements that make it easier than ever for Chinese professionals to participate in global standards development. As a result of an October visit by ASTM senior staff to the China National Institute of Standardization and the Shanghai Institute of Standardization, cooperative agreements between ASTM and both of these organizations were put in place. The agreements will serve as a bridge between global enterprises and Chinese enterprises, as well as promote the circulation of goods between China and the world.

In Mexico, where ASTM has operated an office since 2002, we hosted two technology transfer forums during the past year. The first forum, held in January, provided the Mexican technical and scientific community with an opportunity to learn about the technology transfer made possible through participation in the development of ASTM standards. A second technology transfer forum was held in August. This forum was held for the Mexican housing construction sector, with a focus on sustainability and building performance for residential housing.

ASTM also participated in the Trinidad and Tobago Construction Expo and Seminar in June. At the event, hosted by the national standards body of Trinidad and Tobago, ASTM president Jim Thomas and two ASTM members, Jim Pierce, past chairman of the ASTM board of directors, and Phil Speer of Committee A01 on Steel, Stainless Steel and Related Alloys, gave presentations to the more than 300 participants. At the conference, 12 new Trinidadian national standards, based directly on ASTM International standards, were introduced.

Eliminating Barriers to Global Standards Use

In 2003, ASTM International signed memorandums of understanding (MOUs) with standards bodies of 12 nations including Bulgaria, Dominica, Malaysia, Morocco, Panama, Peru, the Philippines, Singapore, South Africa, Sri Lanka, Turkey, and Uganda. The purpose of these agreements is to strengthen the relationship between ASTM International and signatories in developing countries and allow ASTM to assist that country's national standards body in their standards development and adoption efforts.

ASTM International participated in two training sessions jointly hosted by the Asia Pacific Economic Cooperation (APEC) and the Pacific Area Standards Congress (PASC). The APEC/PASC training programs focused on participation in international standardization and were held in Singapore and Vietnam.

In Jamaica, ASTM presented training at the Bureau of Standards on the use of electronic tools for standards development and the creation of a business model that would enable the solicitation of industry for standards development initiatives. Additional international training participation by ASTM in 2003 included two presentations on the importance of standards in trade to the Chilean Steel Institute in Santiago, Chile, and an address on international standardization and the value of market selection of standards to ASOCEM, the Peruvian Organization of Cement Producers in Lima, Peru. Further training was conducted at INN, Chile's national standards body and at ICONTEC, the Colombian national standards body.

Meeting the Needs of Consumers

While the measuring stick for ASTM standards continues to be technical quality and market relevance, there are many instances in which consumers benefit the most from the work done by ASTM's standards development committees. Many standards development activities in 2003 helped bring this benefit to the forefront.

Cigarette safety was the focus of Committee E05 on Fire Standards, which issued a new standard test method for measuring the ignition strength of cigarettes, predicting a cigarette's capacity to ignite soft furniture. Committee F08 on Sports Equipment and Facilities was also busy in 2003 issuing new standard test methods for evaluating design and performance characteristics of selectorized strength equipment, commonly called weight machines; new standard vehicle identity numbers (VIN) for bicycles, making them easier to track if stolen; and new performance standards for mountain bikes. Pole vault safety was addressed with the formation in 2003 of the new F08.67 on Pole Vault, established to help minimize the risk of practicing the sport.

Dominica Bureau of Standards signs MOU with ASTM International.

ASTM participates in APEC/PASC training program in Vietnam.

September 2003

Open House for Asia Pacific Standards Leaders held at ASTM International Headquarters.

Philippine Bureau of Product Standards, BPS, signs MOU with ASTM International.

The South African Bureau of Standards, SABS, signs MOU with ASTM International.

The national standards body of Turkey, TSE, signs MOU with ASTM International.

ASTM staff participates in NIST SiT programs for Chinese standards developing organizations and for Latin American building code officials.

October 2003

New ASTM Committee E54 on Homeland Security Applications launched.

Japan Geo-Environmental Technology Research Center conducts training on ASTM International.

Also in 2003, Subcommittee F15.22 on Toy Safety released the newest version of its widely used standard, F 963, Consumer Safety Specification for Toy Safety. F 963 establishes nationally recognized safety requirements for toys intended for use by children under the age of 14. In revising the standard, F15.22 considered new technologies for toys, new product innovations and available incident data to ensure an up-to-date, comprehensive standard for toy safety.

On the environmental front, a subcommittee task group of ASTM Committee D19 on Water issued a significant new cyanide monitoring standard. The standard will be useful in monitoring cyanide in a variety of water matrices, including natural water and wastewater effluent samples.



Serving the Needs of Members and Customers

On the membership front, the most significant development in 2003 was the [launch of our new](#)

Student Membership category. Student Membership gives undergraduate and graduate students from all parts of the globe the opportunity to become part of the ASTM community, and opens the doors of ASTM to a future generation of technical experts.

In 2003, ASTM rolled out “MY ASTM,” a personalized access page on the ASTM website for members and customers. MY ASTM customizes access to the ASTM website based on each user’s interests and participation in ASTM. This convenient service enables users to login on the ASTM home page using an account number or e-mail address and then access ASTM information via three personal gateways: My Standards, an access page

Welcoming a New Generation of Technical Experts

This past March, ASTM International opened its doors to the next generation of technical experts with the formation of its new Student Membership category. Within the first year of this initiative, undergraduate and graduate students have enthusiastically welcomed the opportunity to become part of the ASTM community of experts. At the end of 2003, we had over 1,000 new student members in the Society, one-third of whom are in colleges and universities outside the United States.

ASTM membership provides students the invaluable opportunity to enhance their classroom learning with the experience that comes from a living curriculum. Through their ASTM membership, students get a front row seat to the standardization process, enhancing their knowledge of standards before they start using them in the workplace. As part of an unparalleled international network of peers, students can also profit from exposure to the more than 30,000 professionals that make up the ASTM membership community. This exposure enhances students’ skills and plays an invaluable role in jumpstarting their careers in the technical and business worlds.



to ASTM standards of their personal interest; My Committees, which directly leads to the technical committees on which they participate; and My Journals, which takes them to any journals to which they subscribe.

In November, ASTM introduced the *Annual Book of ASTM Standards* online, providing members and customers with digital web access to any volume and section. This online feature offers the benefit of weekly updates with any new and revised standards that belong to the volume. As an added option, the volumes can be configured to offer users access to redlined and historical versions of standards.

To further help customize information delivery to our key audiences, ASTM also launched a revised Standards Tracker service. This free e-mail service alerts subscribers weekly about new and revised ASTM standards and was expanded in 2003 to include new work items. Subscribers choose the kinds of alerts they want to receive: new standards, new work items, or both; and any combination of categories, covering up to 60 technical fields.

ASTM’s Proficiency Testing Services rolled out two significant new Proficiency Testing Programs (PTPs) in 2003, one on insulating fluid quality testing and the other on ultra-low sulfur diesel fuel. Both of these PTP programs will help labs test their own performance and help the sponsoring ASTM committees improve the quality of their testing standards.

For ASTM customers in the petroleum industry, 2003 also brought the publication of three new technical books including the *Fuels and Lubricants Handbook: Technology, Properties, Performance, and Testing*; *Fuel and Fuel System Microbiology: Fundamentals, Diagnosis, and Contamination Control*; and *Significance of Testing for Petroleum Products, 7th Edition*.

2003 was a year that brought new beginnings

and the continued fulfillment of longstanding promises.

We welcomed a new generation of technical experts into the Society and responded to new demands from both industry and government for our collaborative and open process for the development of standards.

We made additional forward strides in fulfilling our commitment to enable global cooperation and participation in the standards development process.

We further improved our best-in-class processes to better serve all of those who rely on our resources and expertise.

The hard work and contributions of everyone involved with ASTM International will continue to bring great things in the future.

November 2003

The Uganda National Bureau of Standards, UNBS, signs MOU with ASTM International.

“My ASTM” tool available on the ASTM website.

ASTM introduces the *Annual Book of ASTM Standards* online.

December 2003

ASTM welcomes intern from Japanese Standards Association.

SIRIM Berhad of Malaysia signs MOU with ASTM International.

Joining other organizations in supporting Iraq & Afghanistan reconstruction efforts, ASTM International donates 1,500 standards in building codes.

ASTM signs agreements with the China National Institute of Standardization, CNIS, and the Shanghai Institute of Standardization, SIS.

ASTM participates in study mission in support of US/Vietnam bilateral trade agreement.

ASTM presents at Second Networking Conference on Industrial Standards Activities Promotion in Seoul, Korea.

Financial statements and other financial information

Report of Independent Auditors

THE BOARD OF DIRECTORS

American Society for Testing and Materials International

We have audited the accompanying statement of financial position of the American Society for Testing and Materials (the "Society") as of December 31, 2003, and the related statements of activity and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Society's 2002 financial statements and, in our report dated March 21, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards 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. 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 audit provides 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 the Society at December 31, 2003, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.



Ernst & Young, LLP
March 12, 2004

Statement of financial position | December 31, 2003

	Unrestricted		Temporarily Restricted			TOTAL	
	GENERAL FUND	CEMENT and CONCRETE REFERENCE LABORATORY FUND	GRANTS	INSTITUTE for STANDARDS RESEARCH FUND	SPECIAL and CUSTODIAL FUNDS	2003	(Summarized Information) 2002
Assets							
Cash and cash equivalents	\$ 797,484	\$ 816,711	\$ (99,117)	\$ 18,143	\$ 1,445,151	\$ 2,978,372	\$ 1,310,816
Accounts receivable, less allowance for doubtful accounts of \$125,000 in 2003 and 2002	2,558,963	189,488	134,389	-	-	2,882,840	3,130,420
Interest receivable	511,690	-	-	-	-	511,690	565,040
Royalties receivable	1,838,520	-	-	-	-	1,838,520	1,357,206
Investments (see Note 1):							
General Investment Fund	89,867,646	-	-	-	-	89,867,646	72,758,438
Custodial Fund No. 2	-	81,497	-	-	-	867,261	779,064
Other	5,844,700	1,296,785	-	-	1,020,032	8,161,517	10,805,628
Inventory	752,601	-	-	-	-	752,601	972,946
Property and equipment, net	15,378,457	62,095	-	-	-	15,440,552	14,808,177
Prepaid pension	8,897,440	675,244	-	-	-	9,572,684	10,205,711
Other assets	1,377,119	15,338	-	-	-	1,392,457	1,266,153
Total assets	\$ 127,824,620	\$ 3,137,158	\$ 35,272	\$ 18,143	\$ 3,250,947	\$ 134,266,140	\$ 117,959,599
Liabilities and net assets							
Accounts payable and accrued liabilities	\$ 1,416,909	\$ 159,638	\$ 35,272	\$ -	\$ -	\$ 1,611,819	\$ 1,865,160
Deferred income	3,284,855	592,025	-	18,143	-	3,895,023	3,418,505
Postretirement benefit obligation	2,295,575	108,971	-	-	-	2,404,546	2,317,739
Other liabilities	815,537	-	-	-	-	815,537	661,847
Total liabilities	7,812,876	860,634	35,272	18,143	-	8,726,925	8,263,251
Unrestricted net assets:							
Undesignated	52,248,744	2,276,524	-	-	-	54,525,268	44,258,813
Designated - general	67,763,000	-	-	-	-	67,763,000	62,456,500
	120,011,744	2,276,524	-	-	-	122,288,268	106,715,313
Temporarily restricted net assets	-	-	-	-	3,250,947	3,250,947	2,981,035
Total net assets	120,011,744	2,276,524	-	-	3,250,947	125,539,215	109,696,348
Total liabilities and net assets	\$ 127,824,620	\$ 3,137,158	\$ 35,272	\$ 18,143	\$ 3,250,947	\$ 134,266,140	\$ 117,959,599

See accompanying notes.

Statement of Activity | December 31, 2003

	Unrestricted		Temporarily Restricted			TOTAL	
	GENERAL FUND	CEMENT and CONCRETE REFERENCE LABORATORY FUND	GRANTS	INSTITUTE for STANDARDS RESEARCH FUND	SPECIAL and CUSTODIAL FUNDS	2003	(Summarized Information) 2002
Operating Revenues							
Publication sales	\$ 24,418,571	\$ -	\$ -	\$ -	\$ -	\$ 24,418,571	\$ 24,343,500
Members' administrative fees	2,308,006	-	-	-	-	2,308,006	2,378,360
Interest and dividends	2,160,617	32,588	-	-	42,327	2,235,532	2,596,457
Advertising	204,360	-	-	-	-	204,360	252,442
Contributions	-	-	298,060	32,119	1,026,011	1,356,190	837,951
Inspection fees	-	1,362,359	-	-	-	1,362,359	2,371,683
Other	2,937,911	702,809	-	-	83,226	3,722,946	3,049,401
	32,029,465	2,097,756	298,060	32,119	1,151,564	35,608,964	35,829,794
Net assets released from restrictions	1,291,738	-	(298,060)	(6,440)	(987,238)	-	-
Total operating revenues	33,321,203	2,097,756	-	25,679	164,326	35,608,964	35,829,794
Operating expenses							
Cost of publications	4,715,140	-	-	-	-	4,715,140	4,967,134
Administrative	2,482,698	-	-	-	-	2,482,698	2,497,232
Society office	17,925,651	-	-	-	-	17,925,651	17,468,223
Building occupancy	603,995	-	-	-	-	603,995	559,303
Consumer/general interest	28,059	-	-	-	-	28,059	16,908
Awards, contracts and other expenses	777,738	2,283,800	-	-	-	3,061,538	2,669,964
Research	514,000	-	-	-	-	514,000	203,535
Depreciation	1,496,264	25,526	-	-	-	1,521,790	1,256,296
Total operating expenses	28,543,545	2,309,326	-	-	-	30,852,871	29,638,595
Excess of operating revenues over operating expenses	4,777,658	(211,570)	-	25,679	164,326	4,756,093	6,191,199
Realized and unrealized (depreciation) appreciation in fair value of investments	10,998,577	8,290	-	-	79,907	11,086,774	(9,389,982)
Change in additional minimum pension liability	-	-	-	-	-	-	1,653,689
Change in unrestricted net assets	15,776,235	(203,280)	-	-	-	15,572,955	(1,559,744)
Change in temporarily restricted net assets	-	-	-	25,679	244,233	269,912	14,650
Change in net assets	15,776,235	(203,280)	-	25,679	244,233	15,842,867	(1,545,094)
Net assets at beginning of year	104,235,509	2,479,804	-	(25,679)	3,006,714	109,696,348	111,241,442
Net assets at end of year	\$ 120,011,744	\$ 2,276,524	\$ -	\$ -	\$ 3,250,947	\$ 125,539,215	\$ 109,696,348

See accompanying notes.

Statements of Cash Flows

Year ended December 31, 2003

Operating and nonoperating activities

Change in net assets	\$15,842,867
Adjustments to reconcile change in net assets to net cash used in operating and nonoperating activities:	
Depreciation	1,521,790
Accretion of discount on bonds, net	(87,191)
Realized and unrealized depreciation in fair value of investments	(11,086,774)
Change in certain assets and liabilities:	
Accounts receivable	247,580
Interest receivable	53,350
Royalties receivable	(481,314)
Inventory	220,345
Prepaid and accrued pension	633,027
Other assets	(126,304)
Accounts payable and accrued liabilities	(253,341)
Deferred income	476,518
Postretirement benefit obligation	86,807
Other liabilities	153,690
Net cash used in operating and nonoperating activities	7,201,050
Investing activities	
Net purchases of investments	(3,379,329)
Capital expenditures, net of disposals	(2,154,165)
Net cash used in investing activities	(5,533,494)
Net increase in cash and cash equivalents	1,667,556
Cash and cash equivalents, beginning of year	1,310,816
Cash and cash equivalents, end of year	\$2,978,372

See accompanying notes.

Notes to Financial Statements

1. Accounting Policies

Basis of Financial Statement Presentation

The American Society for Testing and Materials, a.k.a. ASTM International, (the "Society") is a non-profit organization that provides a forum for producers, users, consumers, and other industry representatives to meet and produce standards for materials, products, systems, and services.

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2002, from which the summarized information was derived.

Net Assets and Promises to Give

The majority of the Society's net assets are unrestricted by donors. As reflected in the accompanying statement of financial position, the Society's Board of Directors has designated a portion of the unrestricted net assets (Note 5).

Temporarily restricted net assets represent unexpended amounts contributed by donors for specific standard-setting initiatives. As related expenses are incurred, these amounts are reflected in revenue as net assets released from donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Taxes

The Society is a tax-exempt entity under Internal Revenue Code Section 501(c)(3) and, therefore, no tax provision is required for its regular activities.

Revenues

Members' administrative fees are recognized as revenues throughout the year. A portion thereof is collected in advance and is reflected in deferred income in the accompanying statement of financial position. Publication and subscription sales are recognized as income when the publications are shipped.

The Society records contributions of cash and promises-to-give as revenue, when they are received unconditionally, at their fair value. Conditional promises to give are recognized when the conditions are substantially met.

Inventories

Inventory consists of reference radiographs and five-year adjuncts, which are stated at average cost.

Depreciation

Depreciation is determined by the straight-line method. Estimated useful lives for purposes of depreciation are 25 years for building, 5 and 10 years for building improvements, 10 years for furniture, and 3 to 5 years for equipment and computer software.

Investments

Investments are reported at their fair value. Cost of investments sold is determined on an average cost basis. Investment income is shown net of custodial and investment counselor fees of \$502,827 in 2003. Realized gains and losses are determined by specific identification of the security sold.

Statement of Cash Flows

For purposes of the statement of cash flows, cash refers to demand deposits with banks and financial institutions. The Society invests in short-term, highly liquid investments, which are classified as investments.

Committee Members

A number of committee members of the Society have made significant investments of time to the development of the Society's standards. The value of this time, conservatively estimated by management at \$80,000,000 for 2003, does not meet the criteria for recognition of contributed services for financial reporting purposes and accordingly, is not reflected in the accompanying financial statements.

2. Investments

At December 31, 2003, investments are stated at fair value, based upon quoted market prices on the last business day of the year.

Investments at December 31, 2003 are as follows:

	Cost	Fair Value
General		
Investment Fund	\$ 81,725,180	\$ 89,867,646
General Fund-other	5,844,700	5,844,700
Custodial Fund No. 2	813,584	867,261
Committee Funds	1,006,926	1,006,926
Other	1,309,891	1,309,891
	\$ 90,700,281	\$ 98,896,424

Investments are composed of the following:

	Cost	Fair Value
Short-term investments	\$ 10,929,707	\$ 10,929,707
U.S. government issues	18,868,313	19,392,183
Corporate stocks	43,317,693	49,796,000
Corporate Fixed Income	16,793,879	17,934,168
Mutual Funds	780,723	834,400
Other	9,966	9,966
	\$ 90,700,281	\$ 98,896,424

It is the Society's policy to budget for and classify interest and dividends as operating income. Realized and unrealized appreciation in fair value of investments are not budgeted and therefore, not included in operations.

3. Property and Equipment

	Cost	Accumulated Depreciation	Net
Land	\$ 4,308,846	\$ -	\$ 4,308,846
Building	12,631,566	4,413,581	8,217,985
Building and land improvements	14,926	14,926	-
Furniture, equipment and purchased software	11,017,758	8,104,037	2,913,721
	\$ 27,973,096	\$ 12,532,544	\$ 15,440,552

4. Pension and Other Postretirement Benefits

The Society's pension plan is a noncontributory defined benefit pension plan for employees meeting certain age and service criteria. The Society's policy is to fund amounts sufficient to meet the minimum funding provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The pension plan's assets, which are carried at fair value, are invested in cash equivalents (3.1%), fixed income (38.5%) and equities (58.4%).

Net periodic pension cost was determined under the projected unit credit actuarial cost method. Pension benefits are primarily based upon the earnings of the participant over the previous five-year period and participants are fully vested after five years.

In addition to providing pension benefits, the Society provides certain postretirement health benefits for retirees and employees who were employed before May 19, 1993. The premiums for postretirement health benefits for the eligible employees were frozen as of May 31, 1995.

The following table sets forth the plans' funded status and amounts recognized in the Society's financial statements:

	December 31, 2003	
	Pension Benefits	Other Benefits
Benefit obligation	\$ 39,050,998	\$ 2,506,786
Fair value of plan assets	39,271,359	-
Funded status	\$ 220,361	\$ (2,506,786)

Prepaid (accrued) benefit cost recognized in the statement of financial position	\$ 9,572,684	\$ (2,404,546)
Employer contributions	-	92,899
Benefits paid	1,550,620	92,899

Components of net periodic benefit cost:

Service cost	\$ 852,773	26,517
Interest cost	2,274,434	153,189
Expected return on assets (increase) decrease	(3,086,169)	-
Amortization of net asset	(44,929)	-
Amortization of prior service cost	22,869	-
Recognized net actuarial loss	614,049	-
Net periodic pension cost	\$ 633,027	\$ 179,706

Weighted average assumptions:

Discount rate	6.25%	6.25%
Expected return on plan assets	9.00%	-
Rate of compensation increase	4.00%	-

5. Net Assets

The unrestricted designated-general net assets consist of the following:

	December 31, 2003
Legal Reserve	\$ 1,000,000
Capital Building Fund	25,000,000
Publication Technology Upgrades Reserve	5,000,000
Upgrade of Association and Business System Reserve	3,000,000
Website Upgrade Reserve	5,000,000
One Year Operating Expense Reserve	28,763,000
Total Designated - General Net Assets	\$ 67,763,000



About ASTM International

Established in 1898, ASTM International is one of the world's largest voluntary standards development organizations. ASTM standards have grown to be among the most widely used and accepted technical documents around the globe.

From the work of 135 technical standards-writing committees, ASTM publishes standard test methods, specifications, practices, guides, classifications and terminology for materials, products, systems, and services. Related scientific and technical information is also published in various books, journals, and software.

ASTM's activities encompass metals, paints, plastics, textiles, petroleum, construction, energy, the environment, consumer products, medical services and devices, electronics, and many other areas. Technical research and testing is performed voluntarily by 30,000 members worldwide. Programs such as Technical and Professional Training and Symposia provide further information about the application and use of ASTM International standards.

More than 12,000 standards are published each year in the 77-volume *Annual Book of ASTM Standards*. These standards and related information are applied throughout the world as the basis of purchasing and other contracts, codes, laws and regulations.

2003 ASTM Annual Report

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