

**TRANSACTIONS OF SOCIETY OF ACTUARIES**  
**1972 VOL. 24 PT. 1 NO. 70**

FINANCIAL REPORT

BALANCE SHEET

ASSETS

	MAY 31	
	1972	1971
Current assets:		
Cash.....	\$ 15,515	\$ 39,139
Accounts receivable (no allowance for doubtful ac- counts considered necessary).....	13,263	9,373
Inventories, at lower of cost (first-in, first-out method) or market:		
Publications.....	\$ 56,435	\$ 50,066
Medallions.....	1,344	1,730
	\$ 57,779	\$ 51,796
Prepaid expenses.....	4,016	3,614
Total current assets.....	\$ 90,573	\$103,922
Investments—at amortized cost (quoted market in 1972, \$201,132; in 1971, \$195,452) (Note A).....	208,406	207,031
Office equipment, at cost less accumulated depreciation of \$4,786 in 1972 and \$3,209 in 1971 (Note B).....	13,823	13,331
	\$312,802	\$324,284

LIABILITIES AND MEMBERSHIP EQUITY

Current liabilities:		
Accounts payable.....	\$ 60,059	\$ 74,546
Advance subscriptions to publications.....	10,894	11,537
Advance registrations.....	5,573	7,518
Due to International Actuarial Association.....	2,402	2,413
Accrued payroll taxes.....	3,066	2,434
Total current liabilities.....	\$ 81,994	\$ 98,448
Membership equity.....	230,808	225,836
	\$312,802	\$324,284

See notes to financial statements.

STATEMENT OF INCOME AND EXPENSES  
AND MEMBERSHIP EQUITY

	YEAR ENDED MAY 31	
	1972	1971
Income:		
Membership dues .....	\$228,265	\$213,325
Examination and registration fees .....	212,194	174,904
Mortality study income (net of expenses of \$189,834 in 1972 and \$165,378 in 1971) .....	16,946	16,538
Sale of publications and materials .....	109,816	94,787
Income from American Academy of Actuaries .....	18,270	12,198
Investment income .....	13,555	15,027
Miscellaneous income .....	2,877	6,616
	<u>\$601,923</u>	<u>\$533,395</u>
Expenses:		
Salaries .....	\$126,642	\$109,451
Cost of publications .....	90,528	78,406
Cost of membership copies of publications—unbound ..	53,238	44,446
Education and examinations .....	101,930	98,674
General and administrative .....	224,613	197,086
	<u>\$596,951</u>	<u>\$528,063</u>
Net income .....	\$ 4,972	\$ 5,332
Membership equity:		
Balance, beginning of the year .....	225,836	220,504
Balance, end of the year .....	<u>\$230,808</u>	<u>\$225,836</u>
See notes to financial statements.		

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MAY 31, 1972

NOTE A: INVESTMENTS

Investments at May 31, 1972, consisted of the following:

	Par Value	Amortized Cost	Market
United States Treasury Bonds .....	\$152,000	\$150,205	\$147,647
Federal agency bonds .....	40,000	38,541	37,902
Canadian bonds .....	18,000	17,660	14,360
Corporate bonds .....	2,000	2,000	1,223
		<u>\$208,406</u>	<u>\$201,132</u>

## NOTE B: OFFICE EQUIPMENT

Depreciation is computed on a straight-line method over an estimated useful life of ten years. In 1972 depreciation of \$1,739 was charged to operations.

## NOTE C: RETIREMENT PLAN

The Society's Retirement Plan covers all employees, subject to minimum eligibility requirements. The annual cost of the Plan, which was \$13,126 in the year ended May 31, 1972, is paid as incurred.

We have examined the accompanying balance sheet of the Society of Actuaries as of May 31, 1972, and the related statement of income and expenses and membership equity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Society of Actuaries at May 31, 1972, and the results of its activities for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

[Signed] TOUCHE ROSS & Co.

