

**TRANSACTIONS OF SOCIETY OF ACTUARIES
1974 VOL. 26 PT. 1 NO. 76**

FINANCIAL REPORT

**BALANCE SHEET
JULY 31, 1974**

ASSETS

Current assets:	
Cash.....	\$123,376
Accounts receivable, less allowance for doubtful accounts— \$5,076.....	156,082
Inventories.....	63,204
Other current assets.....	12,383
Total current assets.....	<u>\$355,045</u>
Investments in securities (quoted market—\$186,671) (Note B)....	210,225
Office equipment, at cost less accumulated depreciation of \$7,625 (Note A).....	14,593
	<u><u>\$579,863</u></u>

LIABILITIES AND MEMBERSHIP EQUITY

Current liabilities:	
Accounts payable.....	\$ 64,286
Advances (principally on publications).....	25,256
Due to International Actuarial Association.....	410
Unearned member dues.....	226,990
Total current liabilities.....	<u>\$316,942</u>
Membership equity.....	262,921
	<u><u>\$579,863</u></u>

See notes to financial statements.

STATEMENT OF INCOME AND EXPENSES
AND MEMBERSHIP EQUITY
YEAR ENDED JULY 31, 1974

Income:	
Membership dues.....	\$260,317
Meeting registration fees.....	64,560
Examination fees and educational material sales.....	251,841
Sale of publications.....	79,570
Income from American Academy of Actuaries.....	26,717
Investment income.....	21,524
Other.....	13,875
	<u>\$718,404</u>
Expenses:	
Membership activities.....	89,563
Meeting expenses.....	57,080
Examinations and cost of educational materials.....	153,603
Cost of publications.....	63,457
Salaries.....	131,616
General and administrative.....	197,556
	<u>\$692,875</u>
Net income.....	\$ 25,529
Membership equity:	
Balance, August 1, 1973.....	237,392
Balance, July 31, 1974.....	<u>\$262,921</u>
See notes to financial statements.	

STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JULY 31, 1974

Source of funds:	
From operations:	
Net income.....	\$ 25,529
Noncash expenses—depreciation.....	2,171
	<u>\$ 27,700</u>
Decrease in:	
Certificates of deposit.....	100,000
Other.....	287
Increase in:	
Unearned member dues.....	12,640
Accounts payable.....	12,979
	<u>\$153,606</u>

Application of funds:

Increase in:	
Accounts receivable.....	\$ 89,025
Inventories.....	4,729
Additions to office equipment.....	2,349
Decrease in advances.....	6,609
	<u>\$102,712</u>
Increase in cash.....	<u>\$ 50,894</u>
See notes to financial statements.	

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JULY 31, 1974

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

Office equipment is recorded at acquisition cost. Depreciation is provided by the straight-line method over an estimated useful life of ten years.

NOTE B: INVESTMENTS IN SECURITIES

Investments at July 31, 1974, consisted of the following:

	Par Value	Amortized Cost	Market
United States Treasury bonds.....	\$102,000	\$101,543	\$ 90,709
Federal agency bonds.....	30,000	29,215	26,814
Canadian bonds.....	18,000	17,660	13,545
Corporate bonds.....	62,000	61,807	55,603
	<u>\$212,000</u>	<u>\$210,225</u>	<u>\$186,671</u>

NOTE C: TAX-EXEMPT STATUS

The Society has qualified as a tax-exempt organization under provisions of the Internal Revenue Code. Therefore, its current activities do not result in liabilities for income taxes.

NOTE D: RETIREMENT PLAN

All employees of the Society, subject to minimum eligibility requirements, are covered by a retirement plan. The Society contributes 15 per cent of the employee's basic salary, and the employees may contribute amounts up to the exclusion allowance as defined in the Internal Revenue Code. These contributions are applied to purchase deferred annuity contracts from insurance companies. It is the Society's policy to fund retirement costs accrued. The expense of the plan was \$17,058 in 1974.

NOTE E: MINORITY RECRUITMENT PROGRAM

The Society is custodian for funds contributed by members for a minority recruitment program. Disbursements to support educational programs for minority students are made upon the authorization of the program director. Funds held for the program at July 31, 1974, totaled \$4,272 and are not reflected in the Society's financial statements.

We have examined the balance sheet of the Society of Actuaries as of July 31, 1974, and the related statements of income and expenses and membership equity and changes in financial position 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 aforementioned financial statements present fairly the financial position of the Society of Actuaries at July 31, 1974, and the results of its operations and changes in its financial position 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.