

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1975 VOL. 27**

**FINANCIAL REPORT**

**BALANCE SHEET**

**ASSETS**

	1975	JULY 31 1974
Current assets:		
Cash.....	\$ 82,255	\$123,376
Savings account.....	114,009	
Certificates of deposit.....	200,000	
Accounts receivable, less allowance for doubtful ac- counts of \$6,894 in 1975 and \$5,076 in 1974....	70,715	156,082
Inventories.....	50,020	63,204
Other current assets.....	6,948	12,383
Total current assets.....	\$523,947	\$355,045
Investments in securities (quoted market \$190,972 in 1975 and \$186,671 in 1974) (Note B).....	210,625	210,225
Office equipment, at cost less accumulated depreciation of \$9,729 in 1975 and \$7,625 in 1974.....	14,900	14,593
	\$749,472	\$579,863

**LIABILITIES AND MEMBERSHIP EQUITY**

Current liabilities:		
Accounts payable.....	\$ 97,352	\$ 64,286
Advances (principally on publications).....	127,222	25,256
Due to International Actuarial Association.....	5,220	410
Unearned member dues.....	322,547	226,990
Total current liabilities.....	\$552,341	\$316,942
Membership equity.....	197,131	262,921
	\$749,472	\$579,863

See notes to financial statements.

STATEMENT OF INCOME AND EXPENSES  
AND MEMBERSHIP EQUITY

	YEAR ENDED	
	1975	1974
<b>Income:</b>		
Membership dues.....	\$292,220	\$260,317
Meeting registration fees.....	87,511	64,560
Examination fees and educational material sales.....	311,514	251,841
Sale of publications.....	112,187	79,570
Income from American Academy of Actuaries.....	27,084	26,717
Investment income.....	23,206	21,524
Other.....	32,152	13,875
	<b>\$885,874</b>	<b>\$718,404</b>
<b>Expenses:</b>		
Membership activities.....	\$130,794	\$ 89,563
Meeting expenses.....	100,746	57,080
Examinations and cost of educational materials.....	224,404	153,603
Cost of publications.....	63,288	63,457
Salaries.....	168,279	131,616
General and administrative.....	264,153	197,556
	<b>\$951,664</b>	<b>\$692,875</b>
Net income (loss).....	(\$ 65,790)	\$ 25,529
<b>Membership equity:</b>		
Beginning of year.....	262,921	237,392
End of year.....	<b>\$197,131</b>	<b>\$262,921</b>
See notes to financial statements.		

## STATEMENT OF CHANGES IN FINANCIAL POSITION

	YEAR ENDED JULY 31	
	1975	1974
Application of funds:		
(Provided from) used in operations:		
Net (income) loss.....	\$ 65,790	(\$ 25,529)
Noncash expenses—depreciation.....	( 2,349)	( 2,171)
	<u>\$ 63,441</u>	<u>(\$ 27,700)</u>
Increase in:		
Certificates of deposit.....	\$200,000	
Savings account.....	114,009	
Accounts receivable.....		\$ 89,025
Inventories.....		4,729
Decrease in advances.....		6,609
Additions to office equipment.....	2,656	2,349
	<u>\$380,106</u>	<u>\$ 75,012</u>
Source of funds:		
Increase in:		
Advances.....	\$101,966	
Unearned member dues.....	95,557	\$ 12,640
Accounts payable.....	33,066	12,979
Due to International Actuarial Association.....	4,810	
Decrease in:		
Accounts receivable.....	85,367	
Inventories.....	13,184	
Other current assets.....	5,035	287
Certificates of deposit.....		100,000
	<u>\$338,985</u>	<u>\$125,906</u>
Increase (decrease) in cash.....	<u>(\$ 41,121)</u>	<u>\$ 50,894</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS  
TWO YEARS ENDED JULY 31, 1975

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, 1975, consist of the following:

	Par Value	Amortized Cost	Market
United States Treasury bonds . . . . .	\$102,000	\$101,625	\$ 95,332
Federal agency bonds . . . . .	30,000	29,526	28,650
Canadian bonds . . . . .	18,000	17,660	14,530
Corporate bonds . . . . .	62,000	61,814	52,460
	\$212,000	\$210,625	\$190,972

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 \$22,107 in 1975 and \$17,058 in 1974. The effect of the Employee Retirement Income Security Act of 1974 on annual costs will not be significant.

NOTE E: CUSTODIAN FOR CONTRIBUTED FUNDS

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, 1975, totaled \$801.

During 1975 a Scholarship Fund was established for which the Society is custodian. Funds held for this program amounted to \$7,031 at July 31, 1975.

Funds for the minority recruitment program and the Scholarship Fund are not reflected in the Society's financial statements.

We have examined the balance sheet of the Society of Actuaries as of July 31, 1975 and 1974, and the related statements of income and expenses and membership equity and changes in financial position for the years 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, 1975 and 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 consistent basis.

[*Signed*] TOUCHE ROSS & Co.

