

**TRANSACTIONS OF SOCIETY OF ACTUARIES  
1976 VOL. 28**

**FINANCIAL REPORT**

**BALANCE SHEET**

**ASSETS**

	1976	JULY 31 1975
<b>Current assets:</b>		
Cash.....	\$222,017	\$ 82,255
Savings account.....	238,134	114,009
Certificates of deposit.....		200,000
Accounts receivable, less allowance for doubtful ac- counts of \$7,595 in 1976 and \$6,894 in 1975....	132,159	70,715
Inventories.....	52,119	50,020
Other current assets.....	6,676	6,948
	<u>\$651,105</u>	<u>\$523,947</u>
Investments (quoted market \$193,003 in 1976 and \$190,972 in 1975) (Note B).....	211,025	210,625
Office equipment, at cost less accumulated depreciation of \$10,689 in 1976 and \$9,729 in 1975.....	29,577	14,900
	<u>\$891,707</u>	<u>\$749,472</u>

**LIABILITIES AND MEMBERSHIP EQUITY**

<b>Current liabilities and deferred income:</b>		
Accounts payable.....	\$142,630	\$ 97,352
Due to International Actuarial Association.....	11,310	5,220
Advances (principally on publications).....	91,257	127,222
Unearned member dues.....	356,367	322,547
	<u>\$601,564</u>	<u>\$552,341</u>
Membership equity.....	290,143	197,131
	<u>\$891,707</u>	<u>\$749,472</u>

See notes to financial statements.

STATEMENT OF INCOME AND EXPENSES  
AND MEMBERSHIP EQUITY

	YEAR ENDED	
	1976	1975
Income:		
Membership dues . . . . .	\$ 399,019	\$292,220
Meeting registration fees . . . . .	91,080	87,511
Examination fees and educational material sales . . . . .	443,929	311,514
Sale of publications . . . . .	91,604	112,187
Income from American Academy of Actuaries . . . . .	38,537	27,084
Investment income . . . . .	24,251	23,206
Other . . . . .	20,849	32,152
	<b>\$1,109,269</b>	<b>\$885,874</b>
Expenses:		
Membership activities . . . . .	\$ 148,229	\$130,794
Meeting expenses . . . . .	71,367	100,746
Examinations and cost of educational materials . . . . .	283,994	224,404
Cost of publications . . . . .	29,002	63,288
Salaries . . . . .	183,879	168,279
General and administrative (other than salaries) . . . . .	299,786	264,153
	<b>\$1,016,257</b>	<b>\$951,664</b>
Excess of income over expenses . . . . .	\$ 93,012	(\$ 65,790)
Membership equity:		
Beginning of year . . . . .	197,131	262,921
End of year . . . . .	<b>\$ 290,143</b>	<b>\$197,131</b>
See notes to financial statements.		

NOTES TO FINANCIAL STATEMENTS  
TWO YEARS ENDED JULY 31, 1976

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.

Investments in bonds are carried at cost, since it is the Society's policy to hold such investments until maturity.

NOTE B: INVESTMENTS

Investments at July 31, 1976, consist of the following:

	Par Value	Amortized Cost	Market
United States Treasury bonds.....	\$102,000	\$101,708	\$ 96,306
Federal agency bonds.....	30,000	29,837	29,460
Canadian bonds.....	18,000	17,660	14,845
Corporate bonds.....	62,000	61,820	52,392
	<u>\$212,000</u>	<u>\$211,025</u>	<u>\$193,003</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 \$24,152 in 1976 and \$22,107 in 1975.

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, 1976, totaled \$8,947.

During 1975 a Scholarship Fund was established for which the Society is custodian. Funds held for this program amounted to \$9,967 at July 31, 1976.

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, 1976 and 1975, and the related statement of income and expenses and membership equity 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, 1976 and 1975, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

[*Signed*] TOUCHE ROSS & Co.