

**INTERNATIONAL ASSOCIATION OF
BLACK ACTUARIES, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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INTERNATIONAL ASSOCIATION OF BLACK ACTUARIES

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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Independent Auditors' Report

To the Board of Directors of
International Association of
Black Actuaries, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the **International Association of Black Actuaries** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **International Association of Black Actuaries** as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Vernon, Connecticut
_____, 2018

Certified Public Accountants

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**INTERNATIONAL ASSOCIATION OF
BLACK ACTUARIES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

ASSETS

	<u>2017</u>	<u>2016</u>
Cash	\$ 415,565	\$ 384,719
Contributions receivable	72,005	53,005
Prepaid expenses	<u>26,500</u>	<u>25,832</u>
 Total Current Assets	 <u>514,070</u>	 <u>463,556</u>
 Equipment	 1,149	 1,149
Website	<u>63,669</u>	<u>63,669</u>
	64,818	64,818
 Less: accumulated depreciation	 <u>(64,481)</u>	 <u>(64,251)</u>
 Net Property and Equipment	 <u>337</u>	 <u>567</u>
 TOTAL ASSETS	 \$ <u>514,407</u>	 \$ <u>464,123</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ <u>1,121</u>	\$ <u>1,845</u>
 Total Current Liabilities/Total Liabilities	 <u>1,121</u>	 <u>1,845</u>
 Unrestricted	 441,286	 409,278
Temporarily restricted	<u>72,000</u>	<u>53,000</u>
 Total Net Assets	 <u>513,286</u>	 <u>462,278</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u>514,407</u>	 \$ <u>464,123</u>

See accompanying notes and independent auditors' report

**INTERNATIONAL ASSOCIATION OF
BLACK ACTUARIES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>REVENUE, SUPPORT AND OTHER INCOME</u>						
Contributions	\$ 375,042	\$ 72,000	\$ 447,042	\$ 380,270	\$ 53,000	\$ 433,270
Membership dues	18,654	-	18,654	18,055	-	18,055
Annual meeting	46,275	-	46,275	31,560	-	31,560
Bootcamp	2,700	-	2,700	2,600	-	2,600
Other income	385	-	385	2,198	-	2,198
Net assets released from restrictions - time	53,000	(53,000)	-	33,000	(33,000)	-
	496,056	19,000	515,056	467,683	20,000	487,683
<u>EXPENSES</u>						
Program service	414,687	-	414,687	369,331	-	369,331
Fundraising	15,021	-	15,021	15,015	-	15,015
Management and general	34,340	-	34,340	31,875	-	31,875
	464,048	-	464,048	416,221	-	416,221
CHANGE IN NET ASSETS	32,008	19,000	51,008	51,462	20,000	71,462
<u>NET ASSETS</u>						
Beginning of year	409,278	53,000	462,278	357,815	33,000	390,815
End of year	\$ 441,286	\$ 72,000	\$ 513,286	\$ 409,277	\$ 53,000	\$ 462,278

See accompanying notes and independent auditors' report

**INTERNATIONAL ASSOCIATION OF
BLACK ACTUARIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2017</u>	<u>2016</u>
Change in net assets	\$ 51,008	\$ 71,463
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	230	230
(Increase) decrease in:		
Contributions receivable	(19,000)	(20,000)
Prepaid expenses	(668)	(3,332)
Increase (decrease) in:		
Accounts payable	(724)	1,845
	<u>30,846</u>	<u>50,206</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	30,846	50,206
<u>CASH</u>		
Beginning of year	<u>384,719</u>	<u>334,513</u>
End of year	<u>\$ 415,565</u>	<u>\$ 384,719</u>

See accompanying notes and independent auditors' report

**INTERNATIONAL ASSOCIATION OF
BLACK ACTUARIES, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017				2016			
	Program Services	Fund- raising	Management and General	Total	Program Services	Fund- raising	Management and General	Total
Annual meeting	\$ 185,788	\$ -	\$ -	\$ 185,788	\$ 156,053	\$ -	\$ -	\$ 156,053
Salaries and related costs	89,539	11,193	11,193	111,925	86,731	10,842	10,842	108,415
Scholarships	86,950	-	-	86,950	73,533	-	-	73,533
Office expenses	8,063	1,008	1,008	10,079	4,908	613	613	6,134
Leadership retreat	-	-	19,319	19,319	-	-	16,860	16,860
Professional fees	7,194	899	899	8,992	12,539	1,568	1,568	15,675
Bootcamp expenses	8,120	-	-	8,120	6,449	-	-	6,449
Website maintenance	7,461	933	933	9,327	11,326	1,416	1,416	14,158
City affiliates	6,355	-	-	6,355	5,202	-	-	5,202
Committees	3,814	477	477	4,768	1,571	196	196	1,963
Insurance	2,656	332	332	3,320	2,679	335	335	3,349
Advertisng	2,592	-	-	2,592	1,133	-	-	1,133
D.A.T.E. Program	2,468	-	-	2,468	4,097	-	-	4,097
Corporate advisor council	2,252	-	-	2,252	2,751	-	-	2,751
Travel	1,251	156	156	1,563	175	22	22	219
Depreciation	184	23	23	230	184	23	23	230
Total Functional Expenses	\$ 414,687	\$ 15,021	\$ 34,340	\$ 464,048	\$ 369,331	\$ 15,015	\$ 31,875	\$ 416,221

See accompanying notes and independent auditors' report

INTERNATIONAL ASSOCIATION OF BLACK ACTUARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Organization

The International Association of Black Actuaries (“IABA”) is a non-profit corporation under Internal Revenue Code Section 501(c)(3). IABA was organized to contribute to an increase in the number of black actuaries and to influence the successful career development, civic growth and achievement of black actuaries.

Throughout the year, IABA provides the following program services:

Annual Meeting – Provides educational seminars to membership improving both technical and professional skills and an opportunity for actuarial students to interact with industry professionals and recruiters in a casual and intimate environment. There were approximately 375 and 300 attendees at the 2017 and 2016 annual meetings, respectively.

Scholarships – Providing scholarships at the undergraduate and graduate level to qualified black students who are interested in pursuing an actuarial career. During 2017 and 2016, IABA awarded scholarships totaling \$86,950 and \$73,533, respectively.

Networking – Professional development and development of campaign efforts to promote awareness of actuarial services.

Annual Bootcamp – Increasing industry awareness of prospective actuarial students and positioning them for a successful actuarial internship or entry-level opportunity. Providing attendees with exposure to real world actuarial work, resources in preparing for professional exams, the soft skills needed to successfully interview for and land an internship or entry-level position as well as extended support to remain on their chosen career pathway for those who will be returning to academic programs.

D.A.T.E. program – To educate, influence, support, enhance, and connect University Actuarial Education programs to meet the needs of black actuarial students.

b) Basis of Accounting and Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United State of America. The statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

See independent auditors’ report

1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

b) **Basis of Accounting and Presentation - Continued**

Net assets and receipts, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of IABA and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of IABA and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets whose time or purpose restrictions are met in the same year are reported as unrestricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by IABA. Generally, the donors of these assets permit IABA to use all or part of the income earned on any related investment for general or specific purposes. During the years ended December 31, 2017 and 2016, IABA did not receive any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

c) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

d) **Contributions Receivable**

Contributions receivable are recorded at net realizable value. Management periodically evaluates the collectability of its contributions receivable and creates an allowance for any receivable deemed uncollectible. As of December 31, 2017 and 2016, no allowance for doubtful accounts has been recorded.

e) **Fixed Assets and Depreciation**

Fixed assets are capitalized at cost. Maintenance and repairs are charged to expense in the year incurred. Expenditures that materially increase values or extend useful lives are capitalized. Depreciation expense is computed on the straight-line basis of accounting over the assets' estimated useful lives which range from 3 to 5 years. Depreciation expense for the years ended December 31, 2017 and 2016 was \$230 and \$230.

See independent auditors' report

1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

f) **Contributions**

Unrestricted and unconditional contributions are recognized as support when received or pledged, if applicable. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

g) **Income Tax Status**

IABA is a nonprofit organization and is exempt from federal income taxes on exempt function income under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

h) **Uncertainty in Income Taxes**

Management of IABA evaluates all significant tax positions as required by U.S. GAAP. As of December 31, 2017 and 2016, management of IABA does not believe that it has taken any tax positions that would require the recording of any tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. IABA's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2017 and 2016, IABA's federal and state tax returns generally remain open for audit for three years from the due date.

i) **Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through _____, 2018, which represents the date the financial statements were available to be issued.

j) **Reclassifications**

Certain reclassifications have been made to the December 31, 2016 financial statements to conform with December 31, 2017 financial statement presentation.

2) **CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject IABA to concentrations of credit risk consist principally of cash and contributions receivable.

IABA maintains its cash in bank accounts which, at times, may exceed federally insured limits. IABA has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on its bank deposits. As of December 31, 2017 and 2016, cash exceeded FDIC insured limits by \$139,710 and \$117,030, respectively.

Management believes that the concentration of credit risk related to contributions receivable is limited due its donors are highly rated financial organizations.

See independent auditors' report

3) **TEMPORARILY RESTRICTED NET ASSETS**

Net assets were restricted for the following purposes at December 31,:

	<u>2017</u>	<u>2016</u>
Time restriction	<u>\$72,000</u>	<u>\$53,000</u>

4) **RETIREMENT PLAN**

IABA has a SIMPLE IRA plan available to its employee. IABA matches up to 3% of the employee's base salary. During the years ended December 31, 2017 and 2016, IABA contributed \$2,178 and \$2,089 to the plan.

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See independent auditors' report