

International Actuarial Association
Financial Statements
For the year ended December 31, 2016



Contents

| | |
|-------------------------------------|--------|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements | |
| Statement of Financial Position | 3 |
| Statement of Changes in Net Assets | 4 |
| Statement of Revenues and Expenses | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 - 13 |
| Financial Schedules (Unaudited) | |
| Schedule of Financial Position | 14 |
| Schedule of Changes in Net Assets | 15 |
| Schedule of Revenues and Expenses | 16 |
| Schedule of Cash Flows | 17 |

Independent Auditor's Report

To the Members of International Actuarial Association

We have audited the accompanying financial statements of International Actuarial Association, which comprise the statement of financial position as at December 31, 2016, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and 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 auditor's 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 present fairly, in all material respects, the financial position of International Actuarial Association as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Supplementary Financial Information

Our audit was performed to form an opinion on the financial statements as a whole. The Financial Schedules (pages 14 to 17) are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Chartered Professional Accountants, Licensed Public Accountants
Ottawa, Ontario
Report Date

DRAFT FOR DISCUSSION PURPOSES ONLY

**International Actuarial Association
Statement of Financial Position**

December 31 **2016** **2015**

Assets

Current

| | | |
|----------------------|------------|------------|
| Cash | \$ 210,004 | \$ 447,564 |
| Investments (Note 2) | 1,571,954 | 1,114,111 |
| Trade receivables | 41,338 | 37,120 |
| Inventories | 38,553 | 42,921 |
| Prepaid expenses | 109,003 | 116,321 |

1,970,852 **1,758,037**

| | | |
|----------------------------------|-----------|-----------|
| Investments (Note 2) | 1,656,353 | 1,603,811 |
| Tangible capital assets (Note 4) | 69,977 | 67,630 |

\$ 3,697,182 **\$ 3,429,478**

Liabilities and Net Assets

Current

| | | |
|--|------------|------------|
| Accounts payable and accrued liabilities | \$ 111,782 | \$ 141,239 |
| Deferred revenue | 257,406 | 19,614 |

369,188 **160,853**

13,476 **30,590**

Contributions held for IAA Fund Article 33 (Note 5)

Contributions held for Congress Bursary Fund

| | | |
|---------------------|---------|---------|
| Article 34 (Note 6) | 244,851 | 235,672 |
|---------------------|---------|---------|

| | | |
|--|--------|--------|
| Contributions held for Monographs (Note 7) | 31,133 | 31,133 |
|--|--------|--------|

| | | |
|---|--------|--------|
| Contributions held for Financial Assistance Fund (Note 8) | 30,192 | 40,000 |
|---|--------|--------|

| | | |
|--|--------|---------|
| Contributions held for Advice and Assistance Fund (Note 9) | 96,241 | 111,683 |
|--|--------|---------|

| | | |
|---|---------|---------|
| Contributions held for IAA Section Fund (Note 10) | 112,209 | 116,857 |
|---|---------|---------|

| | | |
|---------------------------------|-------|-------|
| Contributions held for projects | 4,875 | 4,875 |
|---------------------------------|-------|-------|

902,165 **731,663**

Contractual obligations (Note 11)

Net assets

| | | |
|--------------|-----------|-----------|
| Unrestricted | 2,795,017 | 2,697,815 |
|--------------|-----------|-----------|

\$ 3,697,182 **\$ 3,429,478**

On behalf of the Association

_____ President

_____ Executive Director

International Actuarial Association
Statement of Changes in Net Assets

| For the year ended December 31 | 2016 | 2015 |
|---|---------------------|---------------------|
| Balance, beginning of the year | \$ 2,697,815 | \$ 2,723,606 |
| Excess (deficiency) of revenues over expenses | <u>97,202</u> | <u>(25,791)</u> |
| Balance, end of the year | <u>\$ 2,795,017</u> | <u>\$ 2,697,815</u> |

DRAFT FOR DISCUSSION PURPOSES ONLY

**International Actuarial Association
Statement of Revenues and Expenses**

| For the year ended December 31 | 2016 | 2015 |
|--|------------------|--------------------|
| Revenues | | |
| Colloquia/Web seminars | \$ 185,033 | \$ - |
| Interest and investment | 66,749 | 59,105 |
| Membership dues | 1,989,678 | 1,909,056 |
| Book sales and other revenue | 25,176 | 31,956 |
| | <u>2,266,636</u> | <u>2,000,117</u> |
| IAA, Congress Bursary, Financial Assistance and Advice and Assistance Funds | 43,324 | 37,734 |
| IAA Section Funds | 4,648 | 8,143 |
| | <u>2,314,608</u> | <u>2,045,994</u> |
| Expenses | | |
| Amortization of tangible capital assets | 15,116 | 14,480 |
| Bank charges and service fees | 14,414 | 11,773 |
| Bulletins | 4,810 | 2,180 |
| Bursaries | 35,435 | 21,640 |
| Committee and representation | 128,807 | 151,332 |
| Gifts and awards | 12,076 | 14,646 |
| Initiatives | - | 250 |
| Insurance | 30,746 | 21,736 |
| Investment expenses | 2,791 | 2,775 |
| Loss (gain) on foreign exchange | 43,462 | (37,681) |
| Meetings - Colloquia | 200,019 | 15,992 |
| Office and overhead | 38,135 | 41,408 |
| Office space | 126,081 | 123,160 |
| Printing | 8,019 | 10,917 |
| Professional services | 84,270 | 39,943 |
| Statutory meetings - logistics | 200,013 | 230,394 |
| Statutory meetings - travel and accommodation | 109,468 | 82,124 |
| Support staff | 1,070,403 | 1,109,526 |
| Telephone, fax and teleconferencing | 44,330 | 42,863 |
| Translation | 3,125 | 4,834 |
| Travel - general | 23,418 | 34,509 |
| Unrealized (gain) loss on investments | (53,379) | 49,860 |
| Web seminars | 750 | 142 |
| Website services and development | 31,773 | 45,248 |
| | <u>2,174,082</u> | <u>2,034,051</u> |
| IAA, Congress Bursary, Financial Assistance and Advice and Assistance Funds | 43,324 | 37,734 |
| | <u>2,217,406</u> | <u>2,071,785</u> |
| Excess (deficiency) of revenues over expenses | \$ 97,202 | \$ (25,791) |

**International Actuarial Association
Statement of Cash Flows**

| For the year ended December 31 | 2016 | 2015 |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Excess (deficiency) of revenues over expenses | \$ 97,202 | \$ (25,791) |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 15,116 | 14,480 |
| Unrealized (gain) loss on investments | (53,379) | 49,860 |
| Loss (gain) on foreign exchange | 43,462 | (37,681) |
| Revenues of IAA, Congress Bursary, Financial Assistance and Advice and Assistance Funds | (43,324) | (37,734) |
| Revenues of IAA Section Funds | (4,648) | (8,143) |
| Net change in non-cash working capital: | | |
| Trade receivables | (4,218) | 90 |
| Inventories | 4,368 | 6,365 |
| Prepaid expenses | 7,318 | (56,508) |
| Accounts payable and accrued liabilities | (29,457) | (36,565) |
| Deferred revenue | 237,792 | 14,961 |
| | <u>270,232</u> | <u>(116,666)</u> |
| Cash flows from investing activities | | |
| Acquisition of tangible capital assets | (17,463) | (20,839) |
| Purchase of investments | (457,006) | (60,186) |
| | <u>(474,469)</u> | <u>(81,025)</u> |
| Cash flows from financing activities | | |
| Contributions received from held funds | 10,139 | 12,547 |
| Contributions repaid to funders | - | (21,596) |
| | <u>10,139</u> | <u>(9,049)</u> |
| Other activity | | |
| (Loss) gain on foreign exchange on cash held in foreign currency | (43,462) | 37,681 |
| Decrease in cash during the year | (237,560) | (169,059) |
| Cash, beginning of the year | 447,564 | 616,623 |
| Cash, end of the year | \$ 210,004 | \$ 447,564 |

International Actuarial Association Notes to Financial Statements

December 31, 2016

1. Accounting Policies

Description of the Organization

The International Actuarial Association (IAA) was incorporated in accordance with the laws of Switzerland. Founded in 1895, and reformed in 1998 with a new constitution, the IAA is the worldwide association of professional actuarial associations, with a number of special interest sections for individual actuaries. The IAA's mission is to represent the actuarial profession and promote its role, reputation and recognition in the international domain and to promote professionalism, develop education standards and encourage research.

The IAA is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

A number of Sections operate under the jurisdiction of the IAA constitution - Actuarial Approach for Financial Risks (AFIR/ERM), Actuarial Studies in Non-Life Insurance (ASTIN), Actuaries Without Borders (AWB), IAA Health Section (IAAHS), International Association of Consulting Actuaries (IACA), IAA Life Section (IAALS) and the Pensions, Employee Benefits & Social Security (PBSS).

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The IAA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership dues are recognized in the year to which the dues relate. Dues revenue received in advance are deferred to the year to which the dues relate.

Revenues from Colloquia/Web seminars are recognized in the year in which these events are held, when the IAA assumes the organization of the events.

Interest and investment revenue is recognized on an accrual basis.

Book sales are recognized when the books are delivered.

In-kind Contributions

Contributed materials and services which are used in the normal course of the IAA's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

International Actuarial Association Notes to Financial Statements

December 31, 2016

1. Accounting Policies (continued)

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The area of significant estimate includes the useful life of the tangible capital assets.

Financial Instruments Measurement
The IAA initially measures its financial assets and liabilities at fair value. The IAA subsequently measures all its financial assets and liabilities at amortized cost, except for short-term and long-term investments which are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenses.

The IAA's financial instruments measured at amortized cost include cash, trade receivables and accounts payable and accrued liabilities.

Impairment
Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs
Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of revenues and expenses in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of revenues and expenses over the life of the instrument using the straight-line method.

Inventories Inventories are measured at the lower of cost and net realizable value. The cost is determined on a first-in, first-out basis.

Tangible Capital Assets Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives calculated using the straight-line method over the following terms:

| | |
|------------------------|-----------------------|
| Software | 3 years |
| Computer equipment | 3-10 years |
| Furniture | 5 years |
| Leasehold improvements | duration of the lease |

**International Actuarial Association
Notes to Financial Statements**

December 31, 2016

1. Accounting Policies (continued)

Foreign Currency Translation Foreign currency transactions are translated into Canadian dollars using the temporal method. Foreign currency transactions are translated at the rates of exchange prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate in effect at year-end. Gains and losses on translation are reflected in the statement of revenues and expenses.

2. Investments

| | 2016 | 2015 |
|-----------------------------------|---------------------|---------------------|
| Short-term investments: | | |
| IAA (excluding Sections) | | |
| Treasury Bills | \$ 14,276 | \$ 525,982 |
| Guaranteed Investment Certificate | 402,930 | - |
| AFIR/ERM | | |
| Treasury Bills | 247,472 | 223,794 |
| ASTIN | | |
| Treasury Bills | 379,716 | 31,028 |
| AWB | | |
| Treasury Bills | 3,052 | 2,096 |
| IAAHS | | |
| Treasury Bills | 74,500 | 33,961 |
| IACA | | |
| Treasury Bills | 212,692 | 182,382 |
| IAALS | | |
| Treasury Bills | 204,406 | 105,866 |
| PBSS | | |
| Treasury Bills | 32,910 | 9,002 |
| | \$ 1,571,954 | \$ 1,114,111 |
| Long-term investments: | | |
| IAA (excluding Sections) | | |
| Bonds | \$ 483,769 | \$ 494,721 |
| Quoted-shares | 467,290 | 396,701 |
| AFIR/ERM | | |
| Bonds | 151,066 | 155,641 |
| Quoted-shares | 92,824 | 78,802 |
| ASTIN | | |
| Bonds | 461,404 | 477,946 |
| | \$ 1,656,353 | \$ 1,603,811 |

The bonds mature on a staggered basis over the next seven years and pay nominal interest at rates varying between 1.95% and 4.25%.

International Actuarial Association
Notes to Financial Statements

December 31, 2016

3. Financial Instruments

Price Risk

Investment in financial instruments renders the IAA subject to price risks. There are three types of price risk: currency risk, interest rate risk and market risk. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The IAA is mainly exposed to interest rate risk and market risk. The IAA is exposed to interest rate risk on its fixed-interest bonds, and exposed to market risk through its investments in bonds and quoted-shares.

Concentration of Risk

Concentrations of risk exist when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the concentrations described above does not represent excessive risk to the IAA.

Currency Risk

As at December 31, 2016, cash and investments of \$307,677 and \$13,795 (2015 - \$228,128 and \$20,807) are shown in US dollars and EUROS respectively, and converted into Canadian dollars. The IAA does not use derivative instruments to reduce exposure to foreign exchange risk.

4. Tangible Capital Assets

| | 2016 | | 2015 | |
|------------------------|-------------------|--------------------------|-------------------|--------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Software | \$ 38,118 | \$ 36,805 | \$ 37,722 | \$ 35,878 |
| Computer equipment | 68,281 | 39,106 | 53,299 | 33,050 |
| Furniture | 45,848 | 33,682 | 43,763 | 29,077 |
| Leasehold improvements | 35,265 | 7,942 | 35,265 | 4,414 |
| | <u>\$ 187,512</u> | <u>\$ 117,535</u> | <u>\$ 170,049</u> | <u>\$ 102,419</u> |
| Net carrying amount | | <u>\$ 69,977</u> | | <u>\$ 67,630</u> |

**International Actuarial Association
Notes to Financial Statements**

December 31, 2016

5. Contributions Held for IAA Fund

The IAA Fund represents unspent resources externally restricted for promotion and education purposes in actuarially developing countries. It operates under the Committee on Advice and Assistance, which reports to the Council of IAA. It is funded through gifts and donations from the global actuarial community and other interested parties and is managed by the IAA Fund Subcommittee.

| | 2016 | 2015 |
|-----------------------------|-----------|-----------|
| Beginning balance | \$ 30,590 | \$ 45,007 |
| Add: contributions received | 960 | - |
| Less: amounts utilized | (18,074) | (14,417) |
| Ending balance | \$ 13,476 | \$ 30,590 |

6. Contributions Held for Congress Bursary Fund

The Congress Bursary Fund represents contributions received in support of bursaries relating to congresses. This fund is externally restricted.

| | 2016 | 2015 |
|--|------------|------------|
| Beginning balance | \$ 235,672 | \$ 88,514 |
| Add: contributions received | 9,179 | 8,818 |
| Add: contributions transferred from ICA 2014 Surplus | - | 138,340 |
| Ending balance | \$ 244,851 | \$ 235,672 |

7. Contributions Held for Monographs

The Monograph Fund, which is externally restricted, comprise donations received to produce Educational Monographs on various topics.

| | 2016 | 2015 |
|---|-----------|-----------|
| Beginning balance | \$ 31,133 | \$ 52,729 |
| Less: amounts repaid to funders for MDR | - | (21,596) |
| Ending balance | \$ 31,133 | \$ 31,133 |

MDR: Monograph Discount Rates

**International Actuarial Association
Notes to Financial Statements**

December 31, 2016

8. Contributions Held for Financial Assistance Fund

The Financial Assistance Fund represents contributions received in support of the work of actuaries and the actuarial profession in developing countries. This fund is externally restricted.

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| Beginning balance | \$ 40,000 | \$ - |
| Add: contributions transferred from ICA 2014 Surplus | - | 50,000 |
| Less: amounts utilized | <u>(9,808)</u> | <u>(10,000)</u> |
| Ending balance | <u>\$ 30,192</u> | <u>\$ 40,000</u> |

9. Contributions Held for Advice and Assistance Fund

The Advice and Assistance Fund represents contributions received in support of IAA membership requirements to member associations, to associations seeking to become members of the IAA, and to establish new associations or strengthen existing associations and develop the elements of actuarial education and an actuarial profession. This fund is externally restricted.

| | <u>2016</u> | <u>2015</u> |
|--|------------------|-------------------|
| Beginning balance | \$ 111,683 | \$ - |
| Add: contributions transferred from ICA 2014 Surplus | - | 125,000 |
| Less: amounts utilized | <u>(15,442)</u> | <u>(13,317)</u> |
| Ending balance | <u>\$ 96,241</u> | <u>\$ 111,683</u> |

**International Actuarial Association
Notes to Financial Statements**

December 31, 2016

10. Contributions Held for IAA Section Fund

The IAA Section Fund represents contributions received to support the IAA Section administrative costs. This fund is externally restricted.

| | 2016 | 2015 |
|--|------------|------------|
| Beginning balance | \$ 116,857 | \$ - |
| Add: contributions transferred from ICA 2014 Surplus | - | 125,000 |
| Less: amounts utilized | (4,648) | (8,143) |
| Ending balance | \$ 112,209 | \$ 116,857 |

11. Contractual obligations

The IAA has leased its premises, with a lease agreement expiring in October 2024. The base rent per year is as follows:

| | | |
|------------|----|--------------|
| 2017 | \$ | 131,581 |
| 2018 | | 131,581 |
| 2019 | | 132,635 |
| 2020 | | 137,907 |
| 2021 | | 137,907 |
| Thereafter | | 390,736 |
| | | \$ 1,062,347 |

The IAA has entered into multiple contracts for hotel and venue accommodations for biannual conferences. While the IAA agreed to pay for the events accommodation, cancellation insurance has been purchased, alleviating the IAA from financial commitment.

International Actuarial Association
Schedule of Financial Position (Unaudited)
December 31

| | IAA Excluding Sections | AFIR/ERM | ASTIN | AWB | IAAHS | IACA | IAALS | PBSS | 2016 | 2015 |
|---|------------------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|---------------------|---------------------|
| Assets | | | | | | | | | | |
| Current | | | | | | | | | | |
| Cash (bank indebtedness) | \$ (80,620) | \$ 107,344 | \$ 11,315 | \$ 31,418 | \$ 13,190 | \$ 48,370 | \$ 39,751 | \$ 39,236 | \$ 210,004 | \$ 447,564 |
| Investments | 417,206 | 247,472 | 379,716 | 3,052 | 74,500 | 212,692 | 204,406 | 32,910 | 1,571,954 | 1,114,111 |
| Trade receivables | 28,191 | 4,675 | 6,292 | (25) | 92 | (5,012) | 4,504 | 2,621 | 41,338 | 37,120 |
| Inventories | 38,553 | - | - | - | - | - | - | - | 38,553 | 42,921 |
| Prepaid expenses | 107,923 | 506 | 107 | - | 107 | - | 107 | 253 | 109,003 | 116,321 |
| | 511,253 | 359,997 | 397,430 | 34,445 | 87,889 | 256,050 | 248,768 | 75,020 | 1,970,852 | 1,758,037 |
| Investments | 951,059 | 243,890 | 461,404 | - | - | - | - | - | 1,656,353 | 1,603,811 |
| Tangible capital assets | 69,977 | - | - | - | - | - | - | - | 69,977 | 67,630 |
| | \$ 1,532,289 | \$ 603,887 | \$ 858,834 | \$ 34,445 | \$ 87,889 | \$ 256,050 | \$ 248,768 | \$ 75,020 | \$ 3,697,182 | \$ 3,429,478 |
| Liabilities and Net Assets | | | | | | | | | | |
| Current | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 80,992 | \$ 2,405 | \$ 5,665 | \$ 2,428 | \$ 1,464 | \$ 7,246 | \$ 1,690 | \$ 9,892 | \$ 111,782 | \$ 141,239 |
| Deferred revenue | 255,656 | 50 | 100 | 200 | 700 | 150 | - | 550 | 257,406 | 19,614 |
| | 336,648 | 2,455 | 5,765 | 2,628 | 2,164 | 7,396 | 1,690 | 10,442 | 369,188 | 160,853 |
| Contributions held for IAA Fund Article 33 | 13,476 | - | - | - | - | - | - | - | 13,476 | 30,590 |
| Contributions held for Congress Bursary Fund Article 34 | 244,851 | - | - | - | - | - | - | - | 244,851 | 235,672 |
| Contributions held for Monographs | 31,133 | - | - | - | - | - | - | - | 31,133 | 31,133 |
| Contributions held for Financial Assistance Fund | 30,192 | - | - | - | - | - | - | - | 30,192 | 40,000 |
| Contributions held for Advice and Assistance Fund | 96,241 | - | - | - | - | - | - | - | 96,241 | 111,683 |
| Contributions held for IAA Section Fund | 112,209 | - | - | - | - | - | - | - | 112,209 | 116,857 |
| Contributions held for projects | - | - | - | 4,875 | - | - | - | - | 4,875 | 4,875 |
| | 864,750 | 2,455 | 5,765 | 7,503 | 2,164 | 7,396 | 1,690 | 10,442 | 902,165 | 731,663 |
| Net Assets | | | | | | | | | | |
| Unrestricted | 667,539 | 601,432 | 853,069 | 26,942 | 85,725 | 248,654 | 247,078 | 64,578 | 2,795,017 | 2,697,815 |
| | \$ 1,532,289 | \$ 603,887 | \$ 858,834 | \$ 34,445 | \$ 87,889 | \$ 256,050 | \$ 248,768 | \$ 75,020 | \$ 3,697,182 | \$ 3,429,478 |

International Actuarial Association

Schedule of Changes in Net Assets (Unaudited)

For the year ended December 31

| | IAA Excluding Sections | AFIR/ERM | ASTIN | AWB | IAAHS | IACA | IAALS | PBSS | 2016 | 2015 |
|--|------------------------------|------------|------------|-----------|-----------|------------|------------|-----------|--------------|--------------|
| Balance, beginning of the year | \$ 619,449 | \$ 548,900 | \$ 889,610 | \$ 19,106 | \$ 86,378 | \$ 256,171 | \$ 220,889 | \$ 57,312 | \$ 2,697,815 | \$ 2,723,606 |
| Excess (deficiency) of revenues over expenses | 48,090 | 52,532 | (36,541) | 7,836 | (653) | (7,517) | 26,189 | 7,266 | 97,202 | (25,791) |
| Balance, end of the year | \$ 667,539 | \$ 601,432 | \$ 853,069 | \$ 26,942 | \$ 85,725 | \$ 248,654 | \$ 247,078 | \$ 64,578 | \$ 2,795,017 | \$ 2,697,815 |

DRAFT FOR DISCUSSION PURPOSES ONLY

International Actuarial Association
Schedule of Revenues and Expenses (Unaudited)
For the year ended December 31

| | IAA Excluding Sections | AFIR/ERM | ASTIN | AWB | IAAHS | IACA | IAALS | PBSS | 2016 | 2015 |
|--|------------------------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|------------------|------------------|
| Revenues | | | | | | | | | | |
| Colloquia/Web seminars | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 185,033 | \$ - | \$ - | \$ 185,033 | \$ - |
| Interest and investment | 35,396 | 17,524 | 10,422 | 9 | 314 | 1,440 | 1,376 | 268 | 66,749 | 59,105 |
| Membership - Associates | 1,500 | - | - | - | - | - | - | - | 1,500 | 1,150 |
| Membership - Observers | 10,000 | - | - | - | - | - | - | - | 10,000 | 10,000 |
| Membership - Patron | 40,000 | - | - | - | - | - | - | - | 40,000 | 25,000 |
| Membership - Full | 1,679,278 | 60,050 | 68,150 | 15,700 | 21,500 | 18,450 | 49,200 | 25,850 | 1,938,178 | 1,872,906 |
| Book sales and other revenue | 25,176 | - | - | - | - | - | - | - | 25,176 | 31,956 |
| | <u>1,791,350</u> | <u>77,574</u> | <u>78,572</u> | <u>15,709</u> | <u>21,814</u> | <u>204,923</u> | <u>50,576</u> | <u>26,118</u> | <u>2,266,636</u> | <u>2,000,117</u> |
| IAA, Congress Bursary, Financial Assistance and Advice and Assistance Funds | 43,324 | - | - | - | - | - | - | - | 43,324 | 37,734 |
| IAA Section Funds | - | 1,121 | 1,310 | 236 | 376 | 320 | 850 | 435 | 4,648 | 8,143 |
| | <u>1,834,674</u> | <u>78,695</u> | <u>79,882</u> | <u>15,945</u> | <u>22,190</u> | <u>205,243</u> | <u>51,426</u> | <u>26,553</u> | <u>2,314,608</u> | <u>2,045,994</u> |
| Expenses | | | | | | | | | | |
| Amortization of tangible capital assets | 15,116 | - | - | - | - | - | - | - | 15,116 | 14,480 |
| Bank charges and service fees | 14,308 | 26 | 25 | 14 | 27 | - | - | 14 | 14,414 | 11,773 |
| Bulletins (recoveries) | (20,000) | 947 | 23,825 | - | - | - | 302 | (264) | 4,810 | 2,180 |
| Bursaries | - | - | 32,464 | - | 1,500 | 1,471 | - | - | 35,435 | 21,640 |
| Committee and representation | 128,807 | - | - | - | - | - | - | - | 128,807 | 151,332 |
| Gifts and awards | 3,525 | 5,000 | - | - | - | 1,051 | - | 2,500 | 12,076 | 14,646 |
| Initiatives | - | - | - | - | - | - | - | - | - | 250 |
| Insurance | 30,746 | - | - | - | - | - | - | - | 30,746 | 21,736 |
| Investment expenses | 2,488 | 303 | - | - | - | - | - | - | 2,791 | 2,775 |
| Loss (gain) on foreign exchange | 50,132 | (2,276) | (2,740) | (945) | 611 | 239 | (1,030) | (529) | 43,462 | (37,681) |
| Meetings - Colloquia | - | 57 | 2,566 | 102 | 4,070 | 189,201 | 443 | 3,580 | 200,019 | 15,992 |
| Office and overhead | 38,084 | - | - | - | - | - | - | 51 | 38,135 | 41,408 |
| Office space | 126,081 | - | - | - | - | - | - | - | 126,081 | 123,160 |
| Printing | 7,942 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 8,019 | 10,917 |
| Professional services | 76,232 | 1,285 | 2,872 | 649 | 649 | 1,285 | 649 | 649 | 84,270 | 39,943 |
| Statutory meetings - logistics | 199,828 | - | - | - | - | - | 185 | - | 200,013 | 230,394 |
| Statutory meetings - travel and accommodation | 109,468 | - | - | - | - | - | - | - | 109,468 | 82,124 |
| Support staff | 1,070,403 | - | - | - | - | - | - | - | 1,070,403 | 1,109,526 |
| Telephone, fax and teleconferencing | 38,508 | 230 | 1,312 | 1,710 | 1,004 | 585 | 956 | 25 | 44,330 | 42,863 |
| Translation | 3,125 | - | - | - | - | - | - | - | 3,125 | 4,834 |
| Travel - general | 6,412 | (885) | 2,656 | - | 4,304 | 9,998 | - | 933 | 23,418 | 34,509 |
| Unrealized (gain) loss on investments | (59,937) | (9,878) | 16,731 | (4) | (44) | (74) | (160) | (13) | (53,379) | 49,860 |
| Web seminars | - | 150 | 150 | - | 150 | - | 150 | 150 | 750 | 142 |
| Website services and development | 31,368 | - | 81 | - | 81 | 81 | 81 | 81 | 31,773 | 45,248 |
| | <u>1,872,636</u> | <u>(5,030)</u> | <u>79,953</u> | <u>1,537</u> | <u>12,363</u> | <u>203,848</u> | <u>1,587</u> | <u>7,188</u> | <u>2,174,082</u> | <u>2,034,051</u> |
| IAA, Congress Bursary, Financial Assistance and Advice and Assistance Funds | 43,324 | - | - | - | - | - | - | - | 43,324 | 37,734 |
| Section administration (recoveries) | (129,376) | 31,193 | 36,470 | 6,572 | 10,480 | 8,912 | 23,650 | 12,099 | - | - |
| | <u>1,786,584</u> | <u>26,163</u> | <u>116,423</u> | <u>8,109</u> | <u>22,843</u> | <u>212,760</u> | <u>25,237</u> | <u>19,287</u> | <u>2,217,406</u> | <u>2,071,785</u> |
| Excess (deficiency) of revenues over expenses | \$ 48,090 | \$ 52,532 | \$ (36,541) | \$ 7,836 | \$ (653) | \$ (7,517) | \$ 26,189 | \$ 7,266 | \$ 97,202 | \$ (25,791) |

International Actuarial Association

Schedule of Cash Flows (Unaudited)
For the year ended December 31

| | IAA Excluding Sections | AFIR/ERM | ASTIN | AWB | IAAHS | IACA | IAALS | PBSS | 2016 | 2015 |
|---|------------------------------|------------|-------------|-----------|-----------|------------|-----------|-----------|------------|-------------|
| Cash flows from operating activities | | | | | | | | | | |
| Excess (deficiency) of revenues over expenses | \$ 48,090 | \$ 52,532 | \$ (36,541) | \$ 7,836 | \$ (653) | \$ (7,517) | \$ 26,189 | \$ 7,266 | \$ 97,202 | \$ (25,791) |
| Items not affecting cash: | | | | | | | | | | |
| Amortization of tangible capital assets | 15,116 | - | - | - | - | - | - | - | 15,116 | 14,480 |
| Unrealized (gain) loss on investments | (59,937) | (9,878) | 16,731 | (4) | (44) | (74) | (160) | (13) | (53,379) | 49,860 |
| Loss (gain) on foreign exchange | 50,132 | (2,276) | (2,740) | (945) | 611 | 239 | (1,030) | (529) | 43,462 | (37,681) |
| Revenues of IAA, Congress Bursary, Financial Assistance and Advice and Assistance Funds | (43,324) | - | - | - | - | - | - | - | (43,324) | (37,734) |
| Revenues of IAA Section Funds | - | (1,121) | (1,310) | (236) | (376) | (320) | (850) | (435) | (4,648) | (8,143) |
| Section administration (recoveries) | (4,648) | 1,121 | 1,310 | 236 | 376 | 320 | 850 | 435 | - | - |
| Net change in non-cash working capital: | | | | | | | | | | |
| Trade receivables | (8,094) | 118 | (6) | 25 | (103) | 4,560 | (220) | (498) | (4,218) | 90 |
| Inventories | 4,368 | - | - | - | - | - | - | - | 4,368 | 6,365 |
| Prepaid Expenses | (26,080) | (505) | 57 | 1 | (107) | 34,310 | (107) | (251) | 7,318 | (56,508) |
| Accounts payable and accrued liabilities | (43,497) | (1,974) | 1,864 | 872 | 410 | 3,468 | 136 | 9,264 | (29,457) | (36,565) |
| Deferred revenue | 241,772 | (1,100) | (150) | (200) | 250 | (2,930) | (150) | 300 | 237,792 | 14,961 |
| | 173,898 | 36,917 | (20,785) | 7,585 | 364 | 32,056 | 24,658 | 15,539 | 270,232 | (116,666) |
| Cash flows from investing activities | | | | | | | | | | |
| Acquisition of tangible capital assets | (17,463) | - | - | - | - | - | - | - | (17,463) | (20,839) |
| Purchase of investments | 109,079 | (23,248) | (348,877) | (952) | (40,496) | (30,236) | (98,380) | (23,896) | (457,006) | (60,186) |
| | 91,616 | (23,248) | (348,877) | (952) | (40,496) | (30,236) | (98,380) | (23,896) | (474,469) | (81,025) |
| Cash flows from financing activities | | | | | | | | | | |
| Contributions received from held funds | 10,139 | - | - | - | - | - | - | - | 10,139 | 12,547 |
| Contributions repaid to funders | - | - | - | - | - | - | - | - | - | (21,596) |
| | 10,139 | - | - | - | - | - | - | - | 10,139 | (9,049) |
| Other activity | | | | | | | | | | |
| (Loss) gain on foreign exchange on cash held in foreign currency | (50,132) | 2,276 | 2,740 | 945 | (611) | (239) | 1,030 | 529 | (43,462) | 37,681 |
| (Decrease) increase in cash during the year | 225,521 | 15,945 | (366,922) | 7,578 | (40,743) | 1,581 | (72,692) | (7,828) | (237,560) | (169,059) |
| Cash (bank indebtedness), beginning of the year | (306,141) | 91,399 | 378,237 | 23,840 | 53,933 | 46,789 | 112,443 | 47,064 | 447,564 | 616,623 |
| Cash (bank indebtedness), end of the year | \$ (80,620) | \$ 107,344 | \$ 11,315 | \$ 31,418 | \$ 13,190 | \$ 48,370 | \$ 39,751 | \$ 39,236 | \$ 210,004 | \$ 447,564 |