



# INTERNATIONAL ACTUARIAL ASSOCIATION 2016 BUDGET

(updated August 11, 2015)

|   | 2015 Budget        | 2015 Forecast    | 2016 Budget      |
|---|--------------------|------------------|------------------|
| # of Fully Qualified Actuaries                      | 87,178             | 90,704           | 93,425           |
| % Increase of FQAs                                  | 1.2%               | 4.0%             | 3%               |
| Annual Dues Rate                                    | \$ 17.75           | \$ 17.75         | \$ 17.75         |
| % Increase of Annual Dues Rate                      | 2.9%               |                  | 0%               |
| <b>Ordinary Income/Expense</b>                      |                    |                  |                  |
| <b>Income</b>                                       |                    |                  |                  |
| Book sales & other revenue                          | \$ 100,000         | \$ 60,000        | \$ 100,000       |
| Interest & investment revenue                       | 25,000             | 30,000           | 34,400           |
| Membership dues - Associate                         | 1,500              | 1,500            | 1,600            |
| Membership dues - Full                              | 1,547,410          | 1,610,000        | 1,658,296        |
| Membership dues - Observers                         | 30,000             | 30,000           | 30,000           |
| Membership dues - Patrons                           | 30,000             | 30,000           | 60,000           |
| <b>Total Income</b>                                 | <b>1,733,910</b>   | <b>1,761,500</b> | <b>1,884,296</b> |
| <b>Expense</b>                                      |                    |                  |                  |
| Amortization - capital assets                       | 20,000             | 15,000           | 23,100           |
| Bank charges & service fees                         | 12,000             | 12,000           | 12,400           |
| Bulletins   | (20,000)           | (20,000)         | (20,000)         |
| <b>Committee &amp; Representation Exp</b>           |                    |                  |                  |
| Branding & advertising                              | 20,000             | 20,000           | 15,000           |
| Committee expenses                                  | 150,000            | 140,000          | 140,500          |
| Committee funding from ICA Funds                    |                    | (25,000)         | (25,000)         |
| Representation expenses                             | 30,000             | 40,000           | 40,000           |
| <b>Total Committee &amp; Representation Exp</b>     | <b>200,000</b>     | <b>175,000</b>   | <b>170,500</b>   |
| Gain (loss) on disposal of assets                   | -                  |                  | -                |
| Gifts & awards                                      | 4,000              | 2,500            | 2,500            |
| Insurance   | 13,500             | 19,000           | 24,500           |
| Investment service fees                             | 2,000              | 2,000            | 2,800            |
| Loss (gain) on foreign exchange - realized          |                    |                  |                  |
| Office & overhead                                   | 55,000             | 55,000           | 64,800           |
| Office space  | 132,000            | 132,000          | 133,700          |
| Printing  | 29,000             | 20,000           | 37,900           |
| Professional services                               | 25,000             | 25,000           | 27,500           |
| Statutory meetings - logistics                      | 220,000            | 250,000          | 210,000          |
| Statutory meetings - ICA Funds                      | -                  |                  | (10,000)         |
| Statutory meetings - travel                         | 75,000             | 75,000           | 115,000          |
| Support staff                                       | 1,035,000          | 1,115,000        | 1,180,000        |
| Telephone, fax & teleconference                     | 22,000             | 22,000           | 23,800           |
| Translation   | 7,000              | 5,000            | 4,600            |
| Travel - general                                    |                    |                  |                  |
| Website services & development                      | 45,000             | 55,000           | 53,100           |
| <b>Total Expense</b>                                | <b>1,876,500</b>   | <b>1,959,500</b> | <b>2,056,200</b> |
| <b>Net Ordinary Income</b>                          | <b>(142,590)</b>   | <b>(198,000)</b> | <b>(171,904)</b> |
| <b>Other Income/Expense</b>                         |                    |                  |                  |
| <b>Other Income (Expense)</b>                       |                    |                  |                  |
| Unrealized gain (loss) - investment                 |                    | 9,600            | 4,800            |
| Section Administration Recovery                     | 115,000            | 157,600          | 157,600          |
| VAT refund (estimated but not certain)              |                    | 30,000           | 19,000           |
| <b>Net Other Income</b>                             | <b>115,000</b>     | <b>197,200</b>   | <b>181,400</b>   |
| <b>Excess (deficiency) of Revenue over Expenses</b> | <b>\$ (27,590)</b> | <b>\$ (800)</b>  | <b>\$ 9,496</b>  |

## IAA (Excluding Sections)

### Notes to the 2016 Budget

1. This budget assumes no increase in Full Member Association (FMA) dues and an increase in revenue from other sources. It reflects an average 3% increase in overall size of FMAs.
2. Book sales and other revenue: This line item is primarily revenue from the sale of books. The publication of the Risk Adjustment monograph and of a Risk Book is expected for early 2016. It is anticipated that the publication of the monograph will have a similar financial impact on revenue as the publication of Discount Rates in 2013. This will increase the number of publications available for sale and, if the trend continues, we expect a renewed interest in prior publications resulting in increased sales overall. The Risk Book will have a lesser impact.
3. Amortization expense is expected to increase in 2016 to reflect purchases and implementation of new technologies at the IAA in line with the IT needs analysis (i.e., computer hardware and software).
4. Bank charges and fees include credit card fees incurred as a result of book sales.
5. The cost recovery amount under Bulletins represents ASTIN's payment to the IAA (Excluding Sections) for the management of the ASTIN Bulletin.
6. Insurance includes coverage for events, business, Directors and Officers, and Errors and Omissions. We have undergone an evaluation of the IAA's insurance policies and have identified key areas requiring enhanced coverage. As a result, insurance premiums have increased for 2016.
7. Office and overhead includes shipping costs for book sales. There is a direct correlation between this line and the book sales revenue line. As book sales increase, office and overhead increases to account for the shipping costs related to books. This line also covers staff training and development, ongoing computer equipment replacements, software and the cost of day-to-day office supplies.
8. There is a direct correlation between the miscellaneous revenue and the printing lines. Prior to sale, books are carried as inventory. As books are sold, their related printing expenses are recognized.
9. Meeting locations for 2016 are St Petersburg, Russia and Cape Town, South Africa.
10. Statutory meetings travel and accommodation is budgeted for three Officers and six staff members to attend the IAA statutory meetings. It also includes a provision of \$10,000 for the special assistance fund. Staff travel for Cape Town is for business class travel.
11. Support staff:  
**2016: 11 full-time positions and 1 part-time (same as 2015)**  
Executive Director; Director of Operations; Director of Technical activities (actuary); Director of Communications and Development; Manager of Supranational Relations; Meeting Manager; IT and Web Specialist; Executive Assistant; Office Administrator; Coordinator, Communications and Development; Assistant, Technical activities; part-time controller.