

INTERNATIONAL ACTUARIAL ASSOCIATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Members of the:

INTERNATIONAL ACTUARIAL ASSOCIATION

Opinion

We have audited the financial statements of the International Actuarial Association (IAA), which comprise the Statement of Financial Position as at December 31, 2021, and the Statements Of Changes In Net Assets, Revenues And Expenses, and Cash Flows for the year then ended, and Notes To The Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IAA as at December 31, 2021 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of IAA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

There is tremendous uncertainty in regards to the negative economic impact of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the inability of the organization to adjust expenses may result in a significant negative impact on excess of revenues over expenses. The ability for the organization to sustain operations will be dependent on a variety of factors. These financial statements do not include any adjustments or accruals for these potential effects.

The recent conflict in the Ukraine has raised some further uncertainty regarding the financial impacts to the organization due to its global reach. As the longer-term effect of the conflict from a financial perspective remains undetermined, it is not possible at this time to estimate any potential negative impacts on investments or the excess of revenues over expenditures that might result.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in IAA's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing IAA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate IAA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing IAA's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 IAA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on IAA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause IAA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Supplementary Financial Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 13 through 16 of IAA's financial statements.

Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
May 9, 2022

INTERNATIONAL ACTUARIAL ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Cash	\$ 1,395,939	\$ 390,963
Investments (Note 4)	713,071	1,130,846
Trade receivables	70,989	27,759
Inventories	55,145	55,983
Prepaid expenses	<u>187,521</u>	<u>181,711</u>
	2,422,665	1,787,262
INVESTMENTS (Note 4)	2,198,303	2,039,976
CAPITAL ASSETS (Note 5)	<u>110,006</u>	<u>164,322</u>
	<u>\$ 4,730,974</u>	<u>\$ 3,991,560</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 203,673	\$ 158,815
Deferred membership revenue	<u>17,387</u>	<u>21,915</u>
	<u>221,060</u>	<u>180,730</u>
CONTRIBUTIONS HELD FOR:		
Congress Bursary Fund Article 34 (Note 6)	277,260	267,832
Financial Assistance Fund (Note 7)	4,395	7,776
Advice and Assistance Fund (Note 8)	31,264	31,264
IAA Section Fund (Note 9)	2,167	35,287
IAA Special Fund (Note 10)	<u>187,583</u>	<u>187,583</u>
	<u>502,669</u>	<u>529,742</u>
	<u>723,729</u>	<u>710,472</u>
Contractual obligations (Note 12)		
NET ASSETS		
INVESTED IN CAPITAL ASSETS	110,006	164,322
UNRESTRICTED NET ASSETS	<u>3,897,239</u>	<u>3,116,766</u>
	<u>4,007,245</u>	<u>3,281,088</u>
	<u>\$ 4,730,974</u>	<u>\$ 3,991,560</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
BALANCE, BEGINNING OF THE YEAR	\$ 3,281,088	\$ 2,601,407
EXCESS OF REVENUES OVER EXPENSES	728,568	700,681
DISBURSEMENT OF SECTION NET ASSETS	<u>(2,411)</u>	<u>(21,000)</u>
BALANCE, END OF THE YEAR	<u>\$ 4,007,245</u>	<u>\$ 3,281,088</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUES		
Membership dues	\$ 2,101,493	\$ 2,112,181
Interest and investment	51,632	55,147
Book sales	12,420	16,785
Other income (Note 11)	241,021	83,197
	<u>2,406,566</u>	<u>2,267,310</u>
Assistance and Section Funds	33,790	41,634
	<u>2,440,356</u>	<u>2,308,944</u>
EXPENSES		
ADMINISTRATION		
Amortization - office assets	4,839	5,161
Office and overhead	62,518	55,203
Office space	127,630	129,090
Professional services	26,099	22,848
Support staff	271,299	328,791
	<u>492,385</u>	<u>541,093</u>
GOVERNANCE		
Gifts and awards	17,617	9,673
Insurance - director and officer liability	21,370	19,163
Professional services (audit)	18,000	15,601
Support staff	120,739	193,186
	<u>177,726</u>	<u>237,623</u>
COMMUNICATIONS AND IT		
Amortization - IT hard and software	63,046	58,152
Bursaries	-	7,149
Communication tools and services	115,661	112,987
Initiatives	71,784	47,054
Marketing	27,227	-
Support staff	84,552	-
	<u>362,270</u>	<u>225,342</u>
EVENTS		
Other meetings	9,806	6,864
Statutory meetings	59,718	9,112
Support staff	45,354	-
	<u>114,878</u>	<u>15,976</u>
IMPACT		
Committee and representation	11,748	7,963
Support staff	84,552	48,902
	<u>96,300</u>	<u>56,865</u>
ASSURE		
Support staff	115,532	276,800
ADVANCE		
Support staff	352,697	254,564
	<u>1,711,788</u>	<u>1,608,263</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 728,568</u>	<u>\$ 700,681</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ACTUARIAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 728,568	\$ 700,681
Items not affecting cash:		
Amortization	67,885	63,313
Unrealized gain on investments	(122,084)	(47,755)
Revenues of Assistance and Section Funds	(36,501)	(41,992)
Net change in non-cash working capital:		
Trade receivables	(43,230)	49,402
Inventories	838	2,044
Prepaid expenses	(5,810)	(88,569)
Note receivable	-	360,000
Accounts payable and accrued liabilities	44,858	(34,567)
Deferred membership revenue	(4,528)	(632)
	<u>629,996</u>	<u>961,925</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Additions to capital assets, net of dispositions	(13,569)	(21,151)
Net proceeds (purchases) of investments	<u>381,532</u>	<u>(731,493)</u>
	<u>367,963</u>	<u>(752,644)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received from held funds	<u>9,428</u>	<u>23,604</u>
OTHER ACTIVITY		
Disbursement of section net assets	<u>(2,411)</u>	<u>(21,000)</u>
NET INCREASE IN CASH DURING THE YEAR	1,004,976	211,885
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>390,963</u>	<u>179,078</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 1,395,939</u></u>	<u><u>\$ 390,963</u></u>

INTERNATIONAL ACTUARIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. NATURE OF THE ASSOCIATION

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).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

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.

Unrealized gains and losses on investments represent market value changes in the year, net of reallocation of prior year realized gains/losses on securities sold during the year.

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.

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.

INTERNATIONAL ACTUARIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash on hand and cash deposits with banks and investment accounts.

INVENTORIES

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

CAPITAL ASSETS

Purchased capital assets are stated at cost less accumulated amortization. Amortization is provided based on the assets' respective estimated useful lives using the diminishing balance and straight-line methods at the following rates:

Software	3 years
Computer equipment	3-10 years
Furniture	5 years
Leasehold improvements	duration of the lease
Equipment under capital lease	duration of the lease

ALLOCATION OF EXPENSES

IAA records its payroll and related expenses by function: Administration, Governance, Communications and IT, Events, Impact, Assure, and Advance. Support staff costs are allocated quarterly based on the employee's assessment of time spent on each function.

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.

INTERNATIONAL ACTUARIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2021

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 exchange traded funds.

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 do not represent excessive risk to the IAA.

CURRENCY RISK

As at December 31, 2021, cash and investments of \$53,876 and \$4,528 (2020 - \$23,562 and \$11,233) 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.

Investments held in currencies, bonds and funds within the affected regions of the Ukraine-Russia conflict or financial instruments affected by the conflict globally, may be subject to a higher level of market and credit risk. The organization is monitoring and actively managing any effects of this increased risk.

4. INVESTMENTS

Unless otherwise noted, cost approximates fair market value.

	<u>2021</u>	<u>2020</u>
SHORT-TERM INVESTMENTS:		
IAA (excluding Sections)		
Money market fund	\$ 7,263	\$ 7,253
Treasury Bills	-	100,616
Guaranteed Investment Certificate	705,808	703,635
AFIR/ERM		
Treasury Bills	-	65,350
ASTIN		
Treasury Bill	-	125,275
IAAHS		
Treasury Bill	-	15,139
IACA		
Treasury Bill	-	36,404
IAALS		
Treasury Bill	-	59,942
PBSS		
Treasury Bill	-	17,232
	<u>\$ 713,071</u>	<u>\$ 1,130,846</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2021

4. INVESTMENTS (continued)

	<u>2021</u>	<u>2020</u>
LONG-TERM INVESTMENTS:		
IAA (excluding Sections)		
Exchange traded bond fund (cost \$262,102, 2020 - \$231,353)	\$ 261,729	\$ 238,797
Exchange traded indexed fund (cost \$113,726, 2020 - \$110,513)	174,499	137,102
AFIR/ERM		
Exchange traded bond fund (cost \$216,549, 2020 - \$194,682)	216,144	200,433
Exchange traded bond fund (cost \$82,483, 2020 - \$83,912)	82,366	86,612
Exchange traded indexed fund (cost \$125,445, 2020 - \$160,166)	200,251	198,702
ASTIN		
Exchange traded bond fund (cost \$402,448, 2020 - \$379,302)	401,876	391,506
Exchange traded indexed fund (cost \$198,214, 2020 - \$231,472)	304,137	287,165
IAAHS		
Exchange traded bond fund (cost \$44,805, 2020 - \$40,724)	44,741	42,034
Exchange traded indexed fund (cost \$22,680, 2020 - \$24,092)	34,800	29,889
IACA		
Exchange traded bond fund (cost \$110,629, 2020 - \$99,211)	110,472	102,403
Exchange traded indexed fund (cost \$53,024, 2020 - \$60,018)	81,359	74,459
IAALS		
Exchange traded bond fund (cost \$136,773, 2020 - \$115,373)	136,578	119,085
Exchange traded indexed fund (cost \$61,820, 2020 - \$69,976)	94,856	86,812
PBSS		
Exchange traded bond fund (cost \$32,745, 2020 - \$24,470)	32,698	25,257
Exchange traded indexed fund (cost \$14,205, 2020 - \$15,896)	21,797	19,720
	<u>\$ 2,198,303</u>	<u>\$ 2,039,976</u>

In January 2022, custodianship of the investments was transferred whereby all investments were sold and reinvested in funds with similar risk profiles to those in place at December 31, 2021. Following this transition, approximately \$320,000 was recognized as a realized gain from differences of cost and market values listed above.

5. CAPITAL ASSETS

	<u>2021</u>			<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Software	\$ 264,147	\$ 185,130	\$ 79,017	\$ 130,606
Computer equipment	66,353	47,259	19,094	16,982
Furniture and fixtures	47,902	45,690	2,212	3,523
Leasehold improvements	35,265	25,582	9,683	13,211
	<u>\$ 413,667</u>	<u>\$ 303,661</u>	<u>\$ 110,006</u>	<u>\$ 164,322</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2021

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.

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 267,832	\$ 251,811
Add: contributions received	<u>9,428</u>	<u>16,021</u>
Ending balance	<u>\$ 277,260</u>	<u>\$ 267,832</u>

7. 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>2021</u>	<u>2020</u>
Beginning balance	\$ 7,776	\$ 8,776
Less: amounts utilized	<u>(3,381)</u>	<u>(1,000)</u>
Ending balance	<u>\$ 4,395</u>	<u>\$ 7,776</u>

8. 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>2021</u>	<u>2020</u>
Beginning balance	\$ 31,264	\$ 31,502
Less: amounts utilized	<u>-</u>	<u>(238)</u>
Ending balance	<u>\$ 31,264</u>	<u>\$ 31,264</u>

9. 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.

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 35,287	\$ 71,116
Add: contributions transferred from Sections	-	4,925
Less: amounts utilized	<u>(33,120)</u>	<u>(40,754)</u>
Ending balance	<u>\$ 2,167</u>	<u>\$ 35,287</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2021

10. CONTRIBUTIONS HELD FOR IAA SPECIAL FUND

The IAA Special Fund represents contributions received to finance the Committee and Council meetings, and to support IAA's initiative to fund travel costs of delegates from developing countries to attend IAA Committee and Council meetings. This fund is externally restricted.

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 187,583	\$ 180,000
Add: contributions	<u>-</u>	<u>7,583</u>
Ending balance	<u>\$ 187,583</u>	<u>\$ 187,583</u>

11. OTHER INCOME

	<u>2021</u>	<u>2020</u>
Subscriptions	\$ 74,916	\$ 536
Government subsidies	-	15,125
Gain (loss) on foreign exchange	2,936	(6,054)
Realized gain on sale of investments	34,125	15,667
Unrealized gain on investments	122,084	47,755
Other	<u>6,960</u>	<u>10,168</u>
Ending balance	<u>\$ 241,021</u>	<u>\$ 83,197</u>

12. CONTRACTUAL OBLIGATIONS

The IAA has leased its premises, with a lease agreement expiring in October 2024. The minimum annual lease payments are based upon a per square foot base rent charge plus a proportionate share of operating costs and taxes.

Minimum payments over the next three years are as follows:

2022	\$ 148,472
2023	148,472
2024	<u>123,727</u>
	<u>\$ 420,671</u>

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.

13. COMPARATIVE FIGURES

Certain of prior year's figures have been reclassified to conform to the current year's presentation.

INTERNATIONAL ACTUARIAL ASSOCIATION
SCHEDULE OF FINANCIAL POSITION (Unaudited)
DECEMBER 31, 2021

	IAA Excluding IAA Sections	AFIR/ERM	ASTIN	AWB	IAAHS	IACA	IAALS	PBSS	2021	2020
ASSETS										
CURRENT										
Cash	\$ 917,698	\$ 140,157	\$ 148,595	\$ -	\$ 30,269	\$ 47,855	\$ 81,671	\$ 29,694	\$ 1,395,939	\$ 390,963
Investments	713,071	-	-	-	-	-	-	-	713,071	1,130,846
Trade receivables	28,624	11,275	15,562	-	(27)	(34)	9,979	5,610	70,989	27,759
Inventories	55,145	-	-	-	-	-	-	-	55,145	55,983
Prepaid expenses	177,856	664	664	-	664	6,345	664	664	187,521	181,711
	1,892,394	152,096	164,821	-	30,906	54,166	92,314	35,968	2,422,665	1,787,262
INVESTMENTS	436,229	498,761	706,013	-	79,541	191,830	231,434	54,495	2,198,303	2,039,976
CAPITAL ASSETS	88,756	5,176	5,786	-	2,063	1,537	4,345	2,343	110,006	164,322
	<u>\$ 2,417,379</u>	<u>\$ 656,033</u>	<u>\$ 876,620</u>	<u>\$ -</u>	<u>\$ 112,510</u>	<u>\$ 247,533</u>	<u>\$ 328,093</u>	<u>\$ 92,806</u>	<u>\$ 4,730,974</u>	<u>\$ 3,991,560</u>
LIABILITIES AND NET ASSETS										
CURRENT										
Accounts payable and accrued liabilities	\$ 160,655	\$ 5,934	\$ 25,960	\$ -	\$ 1,475	\$ 1,376	\$ 5,230	\$ 3,043	\$ 203,673	\$ 158,815
Deferred revenue	8,007	1,440	3,260	-	870	1,550	600	1,660	17,387	21,915
	168,662	7,374	29,220	-	2,345	2,926	5,830	4,703	221,060	180,730
CONTRIBUTIONS HELD FOR:										
Congress Bursary Fund Article 34	277,260	-	-	-	-	-	-	-	277,260	267,832
Financial Assistance Fund	4,395	-	-	-	-	-	-	-	4,395	7,776
Advice and Assistance Fund	31,264	-	-	-	-	-	-	-	31,264	31,264
IAA Section Fund	2,167	-	-	-	-	-	-	-	2,167	35,287
IAA Special Fund	187,583	-	-	-	-	-	-	-	187,583	187,583
	502,669	-	-	-	-	-	-	-	502,669	529,742
	671,331	7,374	29,220	-	2,345	2,926	5,830	4,703	723,729	710,472
NET ASSETS	88,756	5,176	5,786	-	2,063	1,537	4,345	2,343	110,006	164,322
INVESTED IN CAPITAL ASSETS	1,657,292	643,483	841,614	-	108,102	243,070	317,918	85,760	3,897,239	3,116,766
UNRESTRICTED NET ASSETS	1,746,048	648,659	847,400	-	110,165	244,607	322,263	88,103	4,007,245	3,281,088
	<u>\$ 2,417,379</u>	<u>\$ 656,033</u>	<u>\$ 876,620</u>	<u>\$ -</u>	<u>\$ 112,510</u>	<u>\$ 247,533</u>	<u>\$ 328,093</u>	<u>\$ 92,806</u>	<u>\$ 4,730,974</u>	<u>\$ 3,991,560</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

SCHEDULE OF CHANGES IN NET ASSETS (Unaudited) FOR THE YEAR ENDED DECEMBER 31, 2021

	IAA Excluding IAA Sections	AFIR/ERM	ASTIN	AWB	IAAHS	IACA	IAALS	PBSS	2021	2020
BALANCE, BEGINNING OF THE YEAR	\$ 1,187,873	\$ 595,110	\$ 824,765	\$ 2,452	\$ 95,481	\$ 222,700	\$ 280,841	\$ 71,866	\$ 3,281,088	\$ 2,601,407
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	558,175	53,549	22,635	(41)	14,684	21,907	41,422	16,237	728,568	700,681
DISBURSEMENT OF SECTION NET ASSETS	-	-	-	(2,411)	-	-	-	-	(2,411)	(21,000)
BALANCE, END OF THE YEAR	<u>\$ 1,746,048</u>	<u>\$ 648,659</u>	<u>\$ 847,400</u>	<u>\$ -</u>	<u>\$ 110,165</u>	<u>\$ 244,607</u>	<u>\$ 322,263</u>	<u>\$ 88,103</u>	<u>\$ 4,007,245</u>	<u>\$ 3,281,088</u>

INTERNATIONAL ACTUARIAL ASSOCIATION

SCHEDULE OF REVENUES AND EXPENSES (Unaudited)

FOR THE YEAR ENDED DECEMBER 31, 2021

	IAA Excluding IAA Sections	AFIR/ERM	ASTIN	AWB	IAAHS	IACA	IAALS	PBSS	2021	2020
REVENUES										
Interest and investment	\$ 12,301	\$ 11,465	\$ 15,793	\$ -	\$ 1,713	\$ 4,180	\$ 5,009	\$ 1,171	\$ 51,632	\$ 55,147
Membership - Associates	1,450	-	-	-	-	-	-	-	1,450	1,400
Membership - Observers	-	-	-	-	-	-	-	-	-	10,000
Membership - Patron	35,000	-	-	-	-	-	-	-	35,000	35,000
Membership - Full	1,828,313	52,600	68,000	-	21,770	21,360	46,750	26,250	2,065,043	2,065,781
Book sales and other income	42,302	58,934	78,099	-	7,017	16,115	36,357	14,617	253,441	99,982
	1,919,366	122,999	161,892	-	30,500	41,655	88,116	42,038	2,406,566	2,267,310
Assistance and Section Funds	670	7,361	9,080	-	3,188	2,759	7,103	3,629	33,790	41,634
	1,920,036	130,360	170,972	-	33,688	44,414	95,219	45,667	2,440,356	2,308,944
EXPENSES										
ADMINISTRATION										
Amortization - office assets	4,839	-	-	-	-	-	-	-	4,839	5,161
Office and overhead	59,956	502	633	-	(20)	1,429	9	9	62,518	55,203
Office space	127,630	-	-	-	-	-	-	-	127,630	129,090
Professional services	26,099	-	-	-	-	-	-	-	26,099	22,848
Support staff	271,299	-	-	-	-	-	-	-	271,299	328,791
	489,823	502	633	-	(20)	1,429	9	9	492,385	541,093
GOVERNANCE										
Gifts and awards	184	9,333	4,500	-	600	-	1,000	2,000	17,617	9,673
Insurance - director and officer liability	21,370	-	-	-	-	-	-	-	21,370	19,163
Professional services (audit)	9,738	1,783	2,232	41	786	712	1,761	947	18,000	15,601
Support staff	120,739	-	-	-	-	-	-	-	120,739	193,186
	152,031	11,116	6,732	41	1,386	712	2,761	2,947	177,726	237,623
COMMUNICATIONS AND IT										
Amortization - IT hard and software	48,044	3,339	4,112	-	1,436	1,247	3,224	1,644	63,046	58,152
Bursaries	-	-	-	-	-	-	-	-	-	7,149
Communication tools and services	56,575	15,166	24,097	-	385	385	12,396	6,657	115,661	112,987
Initiatives	1	13,171	48,112	-	1,373	6,067	3,060	-	71,784	47,054
Marketing	1,500	164	23,507	-	-	164	164	1,728	27,227	-
Support staff	84,552	-	-	-	-	-	-	-	84,552	-
	190,672	31,840	99,828	-	3,194	7,863	18,844	10,029	362,270	225,342
EVENTS										
Other meetings	9,806	-	-	-	-	-	-	-	9,806	6,864
Statutory meetings	59,718	-	-	-	-	-	-	-	59,718	9,112
Support staff	45,354	-	-	-	-	-	-	-	45,354	-
	114,878	-	-	-	-	-	-	-	114,878	15,976
IMPACT										
Committee and representation	11,748	-	-	-	-	-	-	-	11,748	7,963
Support staff	84,552	-	-	-	-	-	-	-	84,552	48,902
	96,300	-	-	-	-	-	-	-	96,300	56,865
ASSURE										
Support staff	115,532	-	-	-	-	-	-	-	84,552	276,800
ADVANCE										
Support staff	352,697	-	-	-	-	-	-	-	352,697	254,564
	1,511,933	43,458	107,193	41	4,560	10,004	21,614	12,985	1,711,788	1,608,263
Section administration (recoveries)	(150,072)	33,353	41,144	-	14,444	12,503	32,183	16,445	-	-
	1,361,861	76,811	148,337	41	19,004	22,507	53,797	29,430	1,711,788	1,608,263
EXCESS (DEFICIENCY) OF REVENUES OVER OVER EXPENSES										
	\$ 558,175	\$ 53,549	\$ 22,635	\$ (41)	\$ 14,684	\$ 21,907	\$ 41,422	\$ 16,237	\$ 728,568	\$ 700,681

INTERNATIONAL ACTUARIAL ASSOCIATION

SCHEDULE OF CASH FLOWS (Unaudited) FOR THE YEAR ENDED DECEMBER 31, 2021

	IAA Excluding IAA Sections	AFIR/ERM	ASTIN	AWB	IAAHS	IACA	IAALS	PBSS	2021	2020
CASH FLOWS FROM (USED FOR)										
OPERATING ACTIVITIES										
Excess (deficiency) of revenues over expenses	\$ 558,175	\$ 53,549	\$ 22,635	\$ (41)	\$ 14,684	\$ 21,907	\$ 41,422	\$ 16,237	\$ 728,568	\$ 700,681
Items not affecting cash:										
Amortization of tangible capital assets	52,883	3,339	4,112	-	1,436	1,247	3,224	1,644	67,885	63,313
Unrealized gain on investments	(20,687)	(27,870)	(42,313)	-	(4,555)	(11,042)	(12,746)	(2,871)	(122,084)	(47,755)
Revenues of Assistance and Section Funds	(3,381)	(7,361)	(9,080)	-	(3,188)	(2,759)	(7,103)	(3,629)	(36,501)	(41,992)
Section administration (recoveries)	(150,072)	33,353	41,144	-	14,444	12,503	32,183	16,445	-	-
Net change in non-cash working capital:										
Trade receivables	(8,615)	(10,225)	(15,112)	-	1,827	1,184	(7,979)	(4,310)	(43,230)	49,402
Inventories	838	-	-	-	-	-	-	-	838	2,044
Prepaid expenses	(22,627)	(350)	17,969	-	(350)	248	(350)	(350)	(5,810)	(88,569)
Note receivable	-	-	-	-	-	-	-	-	-	360,000
Accounts payable and accrued liabilities	31,415	(1,090)	11,635	(409)	469	489	1,177	1,172	44,858	(34,567)
Deferred revenue	1,392	(660)	10	-	(1,930)	(500)	(2,050)	(790)	(4,528)	(632)
	<u>439,321</u>	<u>42,685</u>	<u>31,000</u>	<u>(450)</u>	<u>22,837</u>	<u>23,277</u>	<u>47,778</u>	<u>23,548</u>	<u>629,996</u>	<u>961,925</u>
CASH FLOWS FROM (USED FOR)										
INVESTING ACTIVITIES										
Additions to capital assets, net of dispositions	(13,569)	-	-	-	-	-	-	-	(13,569)	(21,151)
Net proceeds (purchases) of investments	58,793	80,206	140,245	-	12,075	32,479	47,150	10,584	381,532	(731,493)
	<u>45,224</u>	<u>80,206</u>	<u>140,245</u>	<u>-</u>	<u>12,075</u>	<u>32,479</u>	<u>47,150</u>	<u>10,584</u>	<u>367,963</u>	<u>(752,644)</u>
CASH FLOWS FROM (USED FOR)										
FINANCING ACTIVITIES										
Contributions received from held funds	(23,692)	7,361	9,080	-	3,188	2,759	7,103	3,629	9,428	23,604
OTHER ACTIVITY										
Disbursement of section net assets	-	-	-	(2,411)	-	-	-	-	(2,411)	(21,000)
Section administration (recoveries)	150,072	(33,353)	(41,144)	-	(14,444)	(12,503)	(32,183)	(16,445)	-	-
	<u>150,072</u>	<u>(33,353)</u>	<u>(41,144)</u>	<u>(2,411)</u>	<u>(14,444)</u>	<u>(12,503)</u>	<u>(32,183)</u>	<u>(16,445)</u>	<u>(2,411)</u>	<u>(21,000)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	610,925	96,899	139,181	(2,861)	23,656	46,012	69,848	21,316	1,004,976	211,885
CASH AND EQUIVALENTS, BEGINNING OF THE YEAR	306,773	43,258	9,414	2,861	6,613	1,843	11,823	8,378	390,963	179,078
CASH AND EQUIVALENTS, END OF THE YEAR	<u>\$ 917,698</u>	<u>\$ 140,157</u>	<u>\$ 148,595</u>	<u>\$ -</u>	<u>\$ 30,269</u>	<u>\$ 47,855</u>	<u>\$ 81,671</u>	<u>\$ 29,694</u>	<u>\$ 1,395,939</u>	<u>\$ 390,963</u>