

Options for CAFII Dues Increase 2026

Observation: CWB revenue of \$23K will be lost in 2026
Observation: 2026 projected member revenue based on current financials: \$937K
Observation: 2025 projected investment income: \$15000
Observation: 2025 projected expenses (total): \$1042600
Observation: 2025 projected financial reserves at the end of the year: \$554000

Note: A spreadsheet with all the detailed calculations for the analysis below will be circulated to members separately

Member Dues Increase

Revenue

This analysis will look at the impact of dues increases to members and Associates of 0%, 5%, 10%, and 15%.

Let's start with the revenue side—for now, \$15K investment is not included in the calculations.

Revenue

| Dues Increase | Original 2026 Member Revenue | Revenue Increase from Member Dues Increase | New Total Revenue with \$15000 investment income added back in |
|----------------------|-------------------------------------|---|---|
| 0% | \$937000 | \$0 | \$952000 |
| 5% | \$937000 | \$46850 | \$998850 |
| 10% | \$937000 | \$93700 | \$1045700 |
| 15% | \$937000 | \$140550 | \$1092550 |

Expenses

Now let's look at expenses.

The analysis needs to assume the increase in costs for 2026. For purposes of this exercise, we will assume a 3% increase in costs. That is \$31K in additional 2026 costs.

This means that in 2026 projected expenses will be \$1073600.

Surplus/Deficit

Now let's look at the impact of different member dues increases on our financial position. The revenue line includes the projected \$15K investment revenue.

| Dues Increase | Revenue with Investment Income | Expenses with 3% Increase | End of Year Surplus/Deficit |
|----------------------|---------------------------------------|----------------------------------|------------------------------------|
| 0% | \$952000 | \$1073600 | (121600) |
| 5% | \$998850 | \$1073600 | (74750) |
| 10% | \$1045700 | \$1073600 | (27900) |
| 15% | \$1092550 | \$1073600 | 18950 |

Financial Reserves and Operating Ratio

Now let's look at the impact of revenue increases on end-of-year financial reserves and operating ratios. The operating ratio is calculated by taking our end of year reserves and dividing it into our expenses. CAFII strives to be in a ratio range of 25-50%. Our operating budget projects a 2025 deficit of \$67.7K, reducing our 2024 end of year reserves of \$621.5K to \$554K. The \$554K is the starting number for the calculations below. So for example, if we have a 0% increase in dues, our deficit will be \$121.6K; end of year 2024 reserves of \$554K will be reduced by \$121.6K, leaving an end of year 2025 reserves of \$432.3K.

| Dues Increase | End of Year Reserves | Operating Ratio |
|----------------------|-----------------------------|------------------------|
| 0% | \$432400 | 40% |
| 5% | \$479250 | 45% |
| 10% | \$526100 | 49% |
| 15% | \$572950 | 53% |