

2021 CAFII Budget

	Reference Only								
	2018 Actuals	2019 Actuals	2020 Actuals	CAFII 2021 Operating Budget Pre Tax	CAFII 2021 Operating Budget HST	CAFII 2021 Operating Budget	2021 YTD September 2021	2021 Forecast	Comment/Rationale
<b>Revenue</b>									
Membership Dues	\$695,545	\$734,664	\$884,721	\$918,475	\$0	\$918,475	\$716,977	\$955,969	See breakdown in Member Dues Revenue Tab (includes one new Member at Lower Tier Dues as CPL and Valeyo intend to become two separate CAFII Members)
Annual Members' Luncheon "Additional Seats" Revenue	\$0	\$195	\$0	\$0	\$0	\$0	\$0	\$0	
Interest	\$0	\$982	\$399	\$300	\$0	\$300	\$177	\$212.06	Interest from the Savings Account
<b>TOTAL REVENUE</b>	<b>\$ 695,545</b>	<b>\$ 735,841</b>	<b>\$ 885,120</b>	<b>\$ 918,775</b>	<b>\$ -</b>	<b>\$ 918,775</b>	<b>\$ 717,154</b>	<b>\$ 956,181</b>	
<b>EXPENSE</b>									
Management Fees	\$460,299	\$465,134	\$476,844	\$474,468	\$13,312	\$487,780	\$367,098	\$487,780	Includes MM Fees (2.0% contractual increase) and two Co-Eds (2.5% increase each)
Legal and consulting costs associated with regulatory submissions and initiatives	\$563	\$0	\$28,975	\$44,248	\$5,752.21	\$50,000	\$0	\$50,000	For streamlining/simplicity, this line now includes expenses previously captured under Regulatory Model(s) (Row 39), where \$15,000 was budgeted in 2020. 2021 Budget amounts are based on 2020 actuals (recognizing that while in 2020, zero expenses will be incurred under Regulatory Models, that is largely due to the COVID-19 pandemic) and the expectation that CAFII will likely need to tackle heightened regulatory communications/submissions and advocacy/relationship-building work in 2021 as regulators clear their abeyance "backlog" caused by COVID-19.
Audit Fees	\$14,432	\$14,799	\$16,743	\$14,817	\$1,926	\$16,743	\$9,665	\$14,238	Same as 2020 Bill received from KPMG
Insurance	\$5,258	\$5,338	\$5,385	\$5,354	\$696	\$6,050	\$4,320	\$5,878	Increase by 10% over 2020 Budget, as per advice from insurance broker Marsh, as a buffer for 2021 renewal in June 2021.
Website Ongoing Maintenance	\$6,461	\$10,022	\$5,765	\$6,333	\$823	\$7,156	\$5,345	\$7,156	Includes CG Technology (\$233 per month (3% increase)), Constant Contact (\$62.83 per month (3% increase)), Soda PDF Premium (\$56.47), Zoom (\$237.60 per month), Survey Monkey (\$307.36), Virtual Platform (\$500)
Telephone/Fax/Internet	\$5,939	\$6,494	\$5,808	\$5,071	\$659	\$5,730	\$5,065	\$5,730	Includes Office Line (\$56.50 per month), Conference Line (\$47.46 per month) & Co-Eds phone and internet lines
Postage/Courier	\$458	\$159	\$53	\$133	\$17	\$150	\$0	\$50	Monthly Cheque Run and Ad Hoc Mailing
Office Expenses	\$2,423	\$2,025	\$2,158	\$4,425	\$575	\$5,000	\$2,295	\$5,000	Increased from 2020 Budget to cover possible replacement computer hardware and peripherals expenses in 2021 for the Co-Executive Directors
Bank Charges	\$23	\$112	\$236	\$470	\$0	\$470	\$587	\$662	Annual Credit Card Fee (\$190) plus a possible new digital/electronic Accounts Payable process in 2021 (\$280.00)
Depreciation Computer/Office Equipment	\$1,136	\$1,136	\$1,136	\$1,136	\$0	\$1,136	\$852	\$1,136	Same as 2020 Forecast
Miscellaneous Expense	\$0	\$0	\$0	\$500	\$0	\$500	\$0	\$500	Same as 2020 Forecast
Provincial Regulatory Visits and Relationship-Building	\$11,230	\$16,833	\$983	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Federal Regulatory Visits and Relationship-Building	\$0	\$442	\$540	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Research/Studies	\$77,345	\$5,368	\$28,646	\$53,097	\$6,903	\$60,000	\$29,230	\$29,230	Same as 2020 Budget
Website SEO and Enhancements	\$21,702	\$40,914	\$31,144	\$37,124	\$4,826	\$41,950	\$35,827	\$41,950	Same as 2020 Budget
Regulatory Model(s)	\$6,490	\$7,555	\$0	\$0	\$0	\$0	\$0	\$0	Combined with Legal Fees; and this line item will be removed/dispensed with, beginning with the 2021 CAFII budget
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$68,365	\$60,000	\$7,800	\$67,800	\$33,900	\$67,800	Continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus HST.
FCAC Presentation	\$0	\$0	\$20,905	\$0	\$0	\$0	\$0	\$0	
Media Outreach	\$6,883	\$5,683	\$350	\$5,310	\$690	\$6,000	\$6,823	\$6,923	Expenses related to CAFII Media Releases including Wire Service charges (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Media Consultant Retainer	\$31,639	\$27,120	\$27,685	\$24,000	\$3,120	\$27,120	\$22,969	\$27,120	Monthly retainer fees for David Moorcroft, S2C (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Marketing Collateral	\$557	\$1,629	\$845	\$4,425	\$575	\$5,000	\$622	\$2,500	Same as 2020 Budget
Tactical Communications Strategy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	This line item is being removed/dispensed with, beginning with the 2021 CAFII budget
Contingency For Possible Resumption Of In-Person Meetings/Events, Etc. in 2021	\$0	\$0	\$0	\$50,000	\$0	\$50,000	\$1,417	\$5,000	Includes Annual Members' Luncheon (\$12,000); Board Hosting External (\$7,500); Board/EOC Meeting Expenses (\$13,500); Industry Events (\$1,000); EOC Annual Appreciation Dinner (\$3,000); Provincial Regulatory Visits and Relationship-Building (\$9,000); Federal Regulatory Visits and Relationship-Building (\$4,000)
<b>TOTAL EXPENSE</b>	<b>\$ 705,793</b>	<b>\$ 675,816</b>	<b>\$ 731,485</b>	<b>\$ 790,909</b>	<b>\$ 47,675</b>	<b>\$ 838,585</b>	<b>\$ 526,015</b>	<b>\$ 758,653</b>	
<b>Excess of Revenue over Expenses</b>	<b>(\$10,248)</b>	<b>\$60,025</b>	<b>\$153,636</b>			<b>\$80,190</b>	<b>\$191,139</b>	<b>\$197,527</b>	
Unrestricted Net Assets (beginning of year)	\$180,447	\$170,198	\$230,223			\$383,859	\$383,859	\$383,859	
Unrestricted Net Assets (end of year)	\$170,198	\$230,223	\$383,859			\$464,049	\$574,997	\$581,386	

Explanatory Notes:

- (1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support
- (2) Amortization of office equipment based on 4 year straight line depreciation
- (3) \$45,000 Legal Expense for Marc Dequette/Norton Rose Fulbright to complete legal opinion re: AMF Spousal Coverage Issue. Alternative for paying for legal opinion is to use the remaining funds from the CCPBI Special Project Fund

Actual/Forecasted Financial Reserves	2018 Actuals	2019 Actuals	2019 Actuals	2021 Operating Budget	2021 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$176,448	\$168,954	\$182,871	\$209,646	\$189,663
Maximum 6 months (50%) of Annual Operating Expenses =	\$352,897	\$337,908	\$365,742	\$419,293	\$379,327
Actual/Forecasted Level of Financial Reserves:	\$170,198	\$230,223	\$383,859	\$464,049	\$581,386
Actual/Forecasted Level of Financial Reserves %:	24%	34%	52%	55%	77%

### 2019 Operational Budget - Member Dues Breakdown

<b>2018 Member Dues Breakdown</b>				
Upper Tier Member	73,438.00	5		367,190.00
DFS	55,079.00	1		55,079.00
Lower Tier Member	36,719.00	4		146,876.00
Initiation Members	44,000.00	2		88,000.00
Associate	4,800.00	8		38,400.00
				695,545.00

<b>2019 (Base) Member Dues Breakdown</b>				
Upper Tier Member	73,438.00	6		440,628.00
Lower Tier Member	36,719.00	4		146,876.00
Initiation Members	44,000.00	3		132,000.00
Associate	4,800.00	8		38,400.00
				757,904.00

### 2019 Operational Budget - Member Dues Breakdown - Revised

<b>2019 Member Dues Breakdown</b>				
Upper Tier Member	73,438	6		440,628.00
National Bank	55,079	1		55,079.00
Lower Tier Member	36,719	3		110,157.00
Initiation Members	44,000	2		88,000.00
Associate	4,800	8.5		40,800.00
				734,664.00

### 2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

<b>2020 Member Dues Breakdown</b>				
Upper Tier Member	77,110	9		693,989.10
Lower Tier Member	38,555	3		115,664.85
Initiation Members (Upper Tier)	46,266	1		46,265.94
Initiation Members (Lower Tier)	23,133	0		0.00
Associate	4,800	11		52,800.00
				908,719.89

### 2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

<b>2020 Member Dues Breakdown</b>				
Upper Tier Member	77,110	9		693,989.10
Lower Tier Member	38,555	3		115,664.85
Initiation Members (Upper Tier)	46,266	1		46,265.94
Initiation Members (Lower Tier)	23,133	0		0.00
Associate	4,800	6		28,800.00
				884,719.89

2020 Upper Tier Member  
 BMO Bank of Montreal  
 CIBC Insurance  
 RBC Insurance  
 ScotiaLife Financial  
 TD Insurance  
 Desjardins Financial Security Life Assurance Company  
 National Bank Life Insurance Company  
 Manulife Financial  
 The Canada Life Assurance Company

2020 Lower Tier Member  
 Assurant Solutions  
 Canadian Premier Life Insurance Company  
 Cumis Group Ltd/Co-operators Life Insurance Co.

2020 Initiation Members (Upper Tier)  
 Sun Life Financial

2020 Associate  
 RSM Canada  
 Willis Towers Watson  
 KPMG MSLP  
 Optima Communications  
 RGA Life Reinsurance Company of Canada  
 Torsys LLP

\*TBC  
 \*TBC

\*Associate Candidates - Stikeman Elliott, Norton Rose, Deloitte, Dog and Pony - To be confirmed

Did not renew in 2020

PWC  
 Munich Reinsurance Company Canada Branch (Life)  
 RankHigher.ca

### 2021 Operational Budget - Member Dues Breakdown - No Dues Increase

<b>2021 Member Dues Breakdown</b>				
Upper Tier Member	77,110	9		693,989.10
Lower Tier Member	38,555	4		154,219.80
Initiation Members (Upper Tier)	46,266	1		46,265.94
Initiation Members (Lower Tier)	23,133	0		0.00
Associate	4,800	5		24,000.00
				918,474.84

2021 Upper Tier Member  
 BMO Bank of Montreal  
 CIBC Insurance  
 RBC Insurance  
 ScotiaLife Financial  
 TD Insurance  
 Desjardins Financial Security Life Assurance Company  
 National Bank Life Insurance Company  
 Manulife Financial  
 The Canada Life Assurance Company

2021 Lower Tier Member  
 Assurant Solutions  
 Canadian Premier Life Insurance Company  
 Valeyo  
 Cumis Group Ltd/Co-operators Life Insurance Co.

2021 Initiation Members (Upper Tier)  
 Sun Life Financial 2 Year

2021 Associate  
 RSM Canada  
 Willis Towers Watson  
 KPMG MSLP  
 Optima Communications  
 RGA Life Reinsurance Company of Canada  
 Torsys LLP

### 2021 Forecast

<b>2021 Member Dues Breakdown</b>				
Upper Tier Member	77,110	9		693,989.10
Lower Tier Member	38,555	4		154,219.80
Initiation Members (Upper Tier)	46,266	1		46,265.94
Initiation Members (Lower Tier)	13,494	1		13,494.00
Associate	4,800	10		48,000.00
				955,968.84

2021 Upper Tier Member  
 BMO Bank of Montreal  
 CIBC Insurance  
 RBC Insurance  
 ScotiaLife Financial  
 TD Insurance  
 Desjardins Financial Security Life Assurance Company  
 National Bank Life Insurance Company  
 Manulife Financial  
 The Canada Life Assurance Company

2021 Lower Tier Member  
 Assurant Solutions  
 Canadian Premier Life Insurance Company  
 Valeyo  
 Cumis Group Ltd/Co-operators Life Insurance Co.

2021 Initiation Members (Upper Tier)  
 Sun Life Financial 2 Year

2021 Associate  
 RSM Canada  
 Willis Towers Watson  
 KPMG MSLP  
 Optima Communications  
 RGA Life Reinsurance Company of Canada  
 Torsys LLP  
 Dog and Pony Studios  
 Stikeman Elliott LLP  
 RSA  
 Norton Rose Fulbright Canada

Initiation Members (Lower Tier)  
 Canadian Tire Bank CTB joined CAFII in early June, we will prorate CTB's 2021 Initiation Member Dues to 7/12 of the full year amount