

CAFII

411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5

Statement of Operations As at Feb 29, 2020

	Current Month	Budget Feb-20	Variance to Monthly Budget	Current YTD	Budget '20 YTD	Variance Budget to YTD	Budget 2020
Revenue							
Membership Dues	\$72,526	\$75,727	(\$3,200)	\$148,253	\$151,453	(\$3,200)	\$908,720
Luncheon Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$66	\$17	\$50	\$137	\$33	\$104	\$200
TOTAL REVENUE	\$72,592	\$75,743	(\$3,151)	\$148,390	\$151,487	(\$3,096)	\$908,920
Expenses							
Management Fees	\$41,954	\$39,582	(\$2,372)	\$82,601	\$79,165	(\$3,436)	\$474,989
CAFII Legal Fees/Corporate Governan	\$0	\$5,000	\$5,000	\$0	\$5,000	\$5,000	\$20,000
Audit Fees	\$1,271	\$1,271	(\$0)	\$2,542	\$2,541	(\$1)	\$15,247
Insurance	\$449	\$458	\$9	\$898	\$916	\$19	\$5,500
Website Ongoing Maintenance	\$294	\$458	\$165	\$752	\$917	\$165	\$5,500
Telephone/Fax/Internet	\$251	\$483	\$232	\$1,022	\$967	(\$55)	\$5,800
Postage/Courier	\$0	\$21	\$21	\$0	\$42	\$42	\$250
Office Expenses	\$247	\$167	(\$80)	\$402	\$333	(\$68)	\$2,000
Bank Charges	\$0	\$16	\$16	\$87	\$32	(\$55)	\$190
Miscellaneous Expenses	\$0	\$42	\$42	\$0	\$84	\$84	\$500
Depreciation Computer/Office Equipm	\$95	\$100	\$5	\$189	\$200	\$11	\$1,200
Board/EOC/AGM							
Annual Members Lunch	\$0	\$0	\$0	\$0	\$0	\$0	\$12,400
Board Hosting (External)	\$0	\$0	\$0	\$0	\$0	\$0	\$22,500
Board/EOC/Meeting Expenses	\$1,580	\$3,292	\$1,712	\$2,411	\$6,583	\$4,172	\$39,500
Industry Events	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$4,244	\$4,244	\$0	\$4,244
Sub Total Board/EOC/AGM	1,580	3,292	1,712	6,655	10,827	4,172	79,944
Provincial Regulatory Visits	\$748	\$0	(\$748)	\$748	\$0	(\$748)	\$12,875
Research/Studies	\$0	\$5,000	\$5,000	\$0	\$10,000	\$10,000	\$60,000
Website SEO and Enhancements	\$342	\$3,496	\$3,154	\$489	\$6,992	\$6,503	\$41,950
Regulatory Model(s)	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
Federal Financial Reform	\$0	\$625	\$625	\$0	\$1,250	\$1,250	\$7,500
CAFII Benchmarking Study/RSM Canada	\$0	\$5,650	\$5,650	\$0	\$11,300	\$11,300	\$67,800
FCAC Presentation	\$0	\$1,883	\$1,883	\$0	\$3,767	\$3,767	\$22,600
Media Outreach	\$2,260	\$3,008	\$748	\$4,520	\$6,017	\$1,497	\$36,100
Marketing Collateral	\$0	\$1,000	\$1,000	\$3,955	\$1,000	(\$2,955)	\$5,000
CAFII Reception Events	\$0	\$0	\$0	\$0	\$0	\$0	\$900
Speaker fees & travel	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
Gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Networking Events	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Sub Total Networking & Events	-	-	-	-	-	-	3,000
TOTAL EXPENSE	49,490	71,552	22,062	104,859	141,348	36,489	883,845
NET INCOME	23,103	4,191	18,911	43,531	10,138	33,393	25,075

Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes Mananging Matters and Executive Director
- 3 - Website includes hosting cafii.com, subscription and website improvements

CAFII

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Balance Sheet As at Feb 29, 2020

	CAFII Operations			CCBPI Project			Combined		
	29-Feb 2019	31-Jan 2019	31-Dec 2019	29-Feb 2019	31-Jan 2019	31-Dec 2019	29-Feb 2019	31-Jan 2019	31-Dec 2019
ASSETS									
Current Assets									
Bank Balance	\$51,949	\$193,458	\$251,549	\$0	\$0	\$0	\$51,949	\$193,458	\$251,549
Savings Account	\$102,016	\$101,949	\$101,879	\$12,151	\$12,151	\$12,151	\$114,167	\$114,100	\$114,030
Accounts Receivable	\$461,562	\$0	\$0	\$0	\$0	\$0	\$461,562	\$0	\$0
Prepaid Expenses	\$9,198	1,795	3,251	\$0	\$0	\$0	\$9,198	\$1,795	\$3,251
Computer/Office Equipment	\$8,014	\$8,014	\$8,014	\$0	\$0	\$0	\$8,014	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$5,931)	(\$5,836)	(\$5,742)	\$0	\$0	\$0	(\$5,931)	(\$5,836)	(\$5,742)
Total Current Assets	\$626,807	\$299,379	\$358,951	\$12,151	\$12,151	\$12,151	\$638,958	\$311,530	\$371,102
TOTAL ASSETS	\$626,807	\$299,379	\$358,951	\$12,151	\$12,151	\$12,151	\$638,958	\$311,530	\$371,102
LIABILITIES									
Current Liabilities									
Accrued Liabilities	\$17,142	\$108,405	\$115,891	\$0	\$0	\$0	\$17,142	\$108,405	\$115,891
Credit Card	\$2,746	\$288	\$1,223	\$0	\$0	\$0	\$2,746	\$288	\$1,223
Account Payable	\$19,856	\$15,761	\$11,613	\$0	\$0	\$0	\$19,856	\$15,761	\$11,613
Deferred Revenue	\$313,309	(\$75,727)	\$0	\$12,151	\$12,151	\$12,151	\$325,460	(\$63,576)	\$12,151
Total Current liabilities	\$353,052	\$48,727	\$128,727	\$12,151	\$12,151	\$12,151	\$365,204	\$60,879	\$140,879
TOTAL LIABILITIES	\$353,052	\$48,727	\$128,727	\$12,151	\$12,151	\$12,151	\$365,204	\$60,879	\$140,879
UNRESTRICTED NET ASSETS									
Unrestricted Net Assets, beginning of year	\$230,223	\$230,223	\$271,190	\$0	\$0	\$0	\$230,223	\$230,223	\$271,190
Excess of revenue over expenses	\$43,531	\$20,429	(\$40,967)	\$0	\$0	\$0	\$43,531	\$20,429	(\$40,967)
Total Unrestricted Net Assets	\$273,754	\$250,652	\$230,223	\$0	\$0	\$0	\$273,754	\$250,652	\$230,223
TOTAL LIABILITIES AND UNRESTRICTED	\$626,807	\$299,379	\$358,950	\$12,151	\$12,151	\$12,151	\$638,958	\$311,531	\$371,102

Financial Reserves Targets as per 2019 Budget:

Minimum 3 months (25%) of Annual Operating Expenses= **\$ 220,961**
Maximum 6 months (50%) of Annual Operating Expenses= **\$ 441,923**

Current Level of Financial Reserves (total unrestricted net assets): **\$273,754**

Current Level of Financials Reserve (%): **31%**

CCBPI initiative

- 1) Invoice paid to Stikeman Elliott on 19th December 2019 for Consulting Services incurred to date (31 October 2019) for \$92,113.81 (\$81,516.65 plus HST).
- 2) Invoice to be paid to Norton Rose Fulbright in Feb 2020 for Consulting Services incurred to date (30 November 2019) for \$85,226.13 (\$75,421.35 plus HST).
- 3) Invoice to be paid to Norton Rose Fulbright in Feb-Mar 2020 for Consulting Services incurred to date (31 December 2019) for \$15,765.82 (\$13,952.05 plus HST).

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Membership Fees

		<u>Feb-20</u>		<u>Feb-20</u>	
		<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
CIBC Insurance	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
RBC Insurance	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
ScotiaLife Financial	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	
TD Insurance	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
Desjardins Financial Security Life Assurance Company	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
National Bank Life Insurance Company	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	
Manulife Financial	2020 Upper Tier Member	\$ 38,555	6-Mar-20	\$ 38,555	
The Canada Life Assurance Company	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
Assurant Solutions	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	
Canadian Premier Life Insurance Company	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	
Cumis Group Ltd/Co-operators Life Insurance Co.	2020 Lower Tier Member	\$ 19,277		\$ 19,277	
Sun Life Financial	2020 Initiation Members (Upper Tier)	\$ 23,133		\$ 23,133	
RSM Canada	Associate	\$ 4,800			
Willis Towers Watson	Associate	\$ 4,800			
KPMG MSLP	Associate	\$ 4,800			
Munich Reinsurance Company Canada Branch (Life)	Associate	\$ -			
Optima Communications	Associate	\$ 4,800	3-Mar-20		
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	3-Mar-20		
Torys LLP	Associate	\$ 4,800	6-Mar-20		
PWC	Associate				
RankHigher.ca	Associate	\$ 4,800			
TBC	Associate	\$ -			
TBC	Associate	\$ -			
Feb Invoices		\$461,560		\$427,960	
July Invoices		\$427,960			
Total Membership Fees		\$889,520			
Total amount to realocate monthly Jan-Sept		\$74,127			
Total amount to realocate monthly Oct-Dec		\$74,127			

2020 CAFII Budget

	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 YTD Feb-2020	2020 Revised Forecast	Comment/Rationale
Revenue								
Membership Dues	\$435,750	\$475,425	\$695,545	\$734,664	\$908,720	\$148,253	\$899,120	See breakdown in Member Dues Revenue Tab
Luncheon 2019	\$231	\$126	\$0	\$195	\$0	\$0	\$0	Additional Attendees at Luncheon
Interest	\$231	\$126	\$0	\$982	\$200	\$137	\$400	Interest from the Savings Account
TOTAL REVENUE	\$ 436,212	\$ 475,677	\$ 695,545	\$ 735,841	\$ 908,920	\$ 148,390	\$ 899,520	
EXPENSE								
Management Fees	\$279,042	\$442,012	\$460,299	\$465,134	\$474,989	\$82,601	\$484,027	Includes MM Fees (2.5% contractual increase) and two Co-Eds (2.5% increase each)
CAFII Legal Fees/Corporate Governance	\$10,565	\$2,954	\$563	\$0	\$20,000	\$0	\$20,000	Legal Fees increased from \$10K to \$20K to reflect the estimated spend of \$10K in February 2020 for Norton Rose to offer a legal opinion around imbedded credit card coverages re: the AMF; Legal Fees contingency for provincial and/or federal regulatory matters (see note 3).
Audit Fees	\$13,560	\$14,271	\$14,432	\$14,799	\$15,247	\$2,542	\$15,247	3% increase over 2019 Revised Forecast
Insurance	\$5,238	\$5,238	\$5,258	\$5,338	\$5,500	\$898	\$5,500	Same as 2019 Budget
Website Ongoing Maintenance	\$13,060	\$42,575	\$6,461	\$10,022	\$5,500	\$752	\$5,500	Includes CG Technology (\$250 per month), Translation (\$400), Domain (\$30) & CAFII Insurance Domain Name Renewal (\$999 USD)
Telephone/Fax/Internet	\$3,538	\$6,119	\$5,939	\$6,494	\$5,800	\$1,022	\$5,800	Same as 2019 Budget
Postage/Courier	\$180	\$380	\$458	\$159	\$250	\$0	\$250	2019 Revised Forecast plus \$50 contingency
Office Expenses	\$5,257	\$1,312	\$2,423	\$2,025	\$2,000	\$402	\$2,000	Same as 2019 Budget
Bank Charges	\$25	\$38	\$23	\$112	\$190	\$87	\$190	Same as 2019 Actual plus Annual Fee for CAFII TD Visa credit card
Depreciation Computer/Office Equipment	\$467	\$1,564	\$1,136	\$1,136	\$1,200	\$189	\$1,200	Same as 2019 Budget
Miscellaneous Expense	\$433	\$433	\$0	\$0	\$500	\$0	\$500	Same as 2019 Budget
Board/EOC/AGM								
Annual Members Luncheon	\$12,044	\$10,247	\$10,503	\$12,052	\$12,400	\$0	\$12,400	3% increase over 2019 Revised Forecast
Board Hosting (External)	\$19,407	\$7,500	\$19,515	\$14,001	\$22,500	\$0	\$22,500	Three Board Meetings/Receptions at \$7,500 each
Board/EOC Meeting Expenses	\$8,145	\$25,493	\$20,715	\$35,419	\$39,500	\$2,411	\$39,500	3% increase over 2019 Revised Forecast
Industry Events		\$36	\$1,270	\$0	\$1,300	\$0	\$1,300	CAFII Purchase of full table of 11 seats at one Economic Club of Canada Luncheon
EOC Annual Appreciation Dinner	\$2,079	\$8	\$763	\$2,193	\$4,244	\$4,244	\$4,244	3% increase over 2019 Revised Forecast
Total Board/EOC/AGM	\$41,675	\$43,284	\$52,766	\$63,665	\$79,944	\$6,655	\$79,944	
Provincial Regulatory Visits and Relationship-Building Research/Studies	\$10,395	\$11,011	\$11,230	\$16,833	\$12,875	\$748	\$12,875	3% increase over 2019 Revised Forecast
Website SEO and Enhancements	\$1,356	\$17,807	\$77,345	\$5,368	\$60,000	\$0	\$60,000	Same amount as originally budgeted for 2019 before decision to scale back Research due to loss of Amex Bank of Canada as a Member
Regulatory Model(s)	\$0	\$15,001	\$6,490	\$7,555	\$15,000	\$0	\$15,000	3% increase over 2019 Revised Forecast
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$442	\$7,500	\$0	\$7,500	Same as 2019 Revised Forecast plus \$5,000 Contingency
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$0	\$67,800	\$0	\$67,800	Significant increase due to anticipated increased interaction with FCAC in 2020
FCAC Presentation	\$0	\$0	\$0	\$0	\$22,600	\$0	\$22,600	New Line - CAFII Benchmarking Study/RSM Canada estimated at \$60K plus HST. The expense related to CAFII Benchmarking Study/RSM Canada could be found from this line item in the first year, or this \$60K research fund could be reduced to offset the cost of the benchmarking study.
Media Outreach	\$27,408	\$44,023	\$38,522	\$32,803	\$36,100	\$4,520	\$36,100	New Line - FCAC Presentation estimated at \$20K plus HST - \$10K plus HST for Dog and Pony; \$10K plus HST for WTW Benchmarking Data.
Marketing Collateral	\$1,781	\$0	\$557	\$1,629	\$5,000	\$3,955	\$5,000	3% increase over 2019 Budget
Tactical Communications Strategy	\$446	\$379	\$0	\$0	\$0	\$0	\$0	Same as 2019 Budget
CAFII Reception Events	\$0	\$500	\$0	\$0	\$900	\$0	\$900	covered under Media Outreach
Media Relations	\$0	\$164	\$0	\$0	\$0	\$0	\$0	Incidental expenses related to hosting of three CAFII Receptions in Toronto
Speaker fees & travel	\$0	\$0	\$191	\$1,189	\$2,000	\$0	\$2,000	\$0 covered under Media Outreach
Gifts	\$221	\$452	\$0	\$200	\$500	\$0	\$500	Same as 2019 Budget
CAFII 25th Anniversary Celebration	\$0	\$26,495	\$0	\$0	\$0	\$0	\$0	Same as 2019 Budget
Networking Events	\$0	\$350	\$0	\$0	\$500	\$0	\$500	Deferred to 2022
TOTAL EXPENSE	\$ 414,214	\$ 675,862	\$ 705,793	\$ 675,816	\$ 883,845	\$ 104,859	\$ 892,883	Same as 2019 Budget
Excess of Revenue over Expenses	\$21,998	(\$200,185)	(\$10,248)	\$60,025	\$25,075	\$43,531	\$6,637	
Unrestricted Net Assets (beginning of year)	\$358,991	\$380,758	\$180,447	\$170,198	\$230,223	\$230,223	\$230,223	
Unrestricted Net Assets (end of year)	\$380,989	\$180,573	\$170,198	\$230,223	\$255,298	\$273,754	\$236,860	

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	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Revised Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$103,554	\$168,965	\$176,448	\$168,954	\$220,961	\$223,221
Maximum 6 months (50%) of Annual Operating Expenses =	\$207,107	\$337,931	\$352,897	\$337,908	\$441,923	\$446,442
Actual/Forecasted Level of Financial Reserves:	\$380,758	\$180,573	\$170,198	\$230,223	\$255,298	\$236,860
Actual/Forecasted Level of Financial Reserves %:	92%	27%	24%	34%	29%	27%

2019 Operational Budget - Member Dues Breakdown

2018 Member Dues Breakdown

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

2019 (Base) Member Dues Breakdown

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

2019 Member Dues Breakdown

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

2020 Member Dues Breakdown

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 Upper Tier Member

- 1 BMO Bank of Montreal
- 2 CIBC Insurance
- 3 RBC Insurance
- 4 ScotiaLife Financial
- 5 TD Insurance
- 6 Desjardins Financial Security Life Assurance Company
- 7 National Bank Life Insurance Company
- 8 Manulife Financial
- 9 The Canada Life Assurance Company

2020 Lower Tier Member

- 1 Assurant Solutions
- 2 Canadian Premier Life Insurance Company
- 3 Cumis Group Ltd/Co-operators Life Insurance Co.

2020 Initiation Members (Upper Tier)

- 1 Sun Life Financial

2020 Associate

- 1 RSM Canada
- 2 Willis Towers Watson
- 3 KPMG MSLP
- 4 Munich Reinsurance Company Canada Branch (Life)
- 5 Optima Communications
- 6 RGA Life Reinsurance Company of Canada
- 7 Torys LLP
- 8 PWC
- 9 RankHigher.ca
- 10 *TBC
- 11 *TBC

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

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

2020 Member Dues Breakdown

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	9	43,200.00
			899,119.89

2020 Upper Tier Member

- 1 BMO Bank of Montreal
- 2 CIBC Insurance
- 3 RBC Insurance
- 4 ScotiaLife Financial
- 5 TD Insurance
- 6 Desjardins Financial Security Life Assurance Company
- 7 National Bank Life Insurance Company
- 8 Manulife Financial
- 9 The Canada Life Assurance Company

2020 Lower Tier Member

- 1 Assurant Solutions
- 2 Canadian Premier Life Insurance Company
- 3 Cumis Group Ltd/Co-operators Life Insurance Co.

2020 Initiation Members (Upper Tier)

- 1 Sun Life Financial

2020 Associate

- 1 RSM Canada
- 2 Willis Towers Watson
- 3 KPMG MSLP
- 4 Optima Communications
- 5 RGA Life Reinsurance Company of Canada
- 6 Torys LLP
- 7 RankHigher.ca
- 8 *TBC
- 9 *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)