

2013 Budget Draft - Canadian Association of Financial Institutions in Insurance

	2010 Budget	2011 Budget	2012 Budget	CAGR 2010-2012	2013 Budget Recco.	Change 2012-2013	Comments
<b>Revenues</b>							
Membership Fees	\$ 378,000	\$419,100	419700	3.5%	\$ 410,100	-2%	
Interest	\$ 925	\$100	750	-6.8%	\$ 750	650%	
<b>TOTAL REVENUE</b>	<b>\$ 378,925</b>	<b>\$ 419,200</b>	<b>\$ 420,450</b>	<b>3.5%</b>	<b>\$ 410,850</b>	<b>-2%</b>	
<b>EXPENSE</b>							
Management Fees	\$61,387	\$69,167	\$70,617	4.8%	\$ 74,150	5%	
Lawrie Savage Fees	\$167,990	\$167,990	\$171,289	0.7%	\$ -	-100%	Contract terminated
CAFII Wages and Benefits					\$ 135,000		Executive Director Salary and benefits
CAFII Legal Fees <sup>1</sup>	\$10,467	\$10,467	\$10,467	0.0%	\$ 10,467	0%	
Audit Fees	\$9,420	\$9,813	\$11,594	7.2%	\$ 13,108	13%	Extra time estimated to prepare new standards for not-for-profit organizations
Board/EOC/AGM Expense <sup>2</sup>	\$26,000	\$21,000	\$21,000	-6.9%	\$ 23,000	10%	Incl. additional budget for CAFII 15th Anniv.
Insurance	\$4,320	\$4,320	\$4,320	0.0%	\$ 4,320	0%	
Website	\$540	\$540	\$540	0.0%	\$ 4,500	733%	Incl proposal from Company B for Committee work group pages
Telephone/Fax/Internet	\$2,160	\$2,160	\$1,000	-22.6%	\$ 1,000	0%	
Postage/Courier	\$1,080	\$1,080	\$500	-22.6%	\$ 500	0%	Additional fees for ADP
Office Expenses	\$2,700	\$2,700	\$2,700	0.0%	\$ 4,500	67%	Office hardware for E.D.
Bank Charges	\$0	\$0	\$0		\$ -		
Miscellaneous Expenses	\$0	\$0	\$0		\$ 1,000		Budget for CAFII Promotional Material
Amortization Expense	\$0	\$0	\$0		-\$ 640		
Regulatory Model(s)	\$5,940	\$2,940	\$2,940	-20.9%	\$ 2,940	0%	
Research/Studies <sup>4</sup>	\$59,000	\$42,000	\$42,000	-10.7%	\$ 45,000	7%	Updated Avalon study
Federal Financial Reform <sup>5</sup>	\$2,160	\$2,160	\$2,160	0.0%	\$ 2,160	0%	
Provincial Regulation Review <sup>6</sup>	\$54,000	\$54,000	\$54,000	0.0%	\$ 54,000	0%	
Provincial Networking Strategy <sup>3</sup>	\$10,800	\$5,800	\$0	-100.0%	\$ 5,800		
Tactical Communications Strategy <sup>7</sup>	\$27,000	\$28,250	\$22,250	-6.2%	\$ 22,250	0%	
Media Relations, CAFII Consultant	\$0	\$12,000	12000	0.0%	\$ -	-100%	
<b>TOTAL EXPENSE</b>	<b>\$ 444,964</b>	<b>\$ 436,387</b>	<b>\$ 429,377</b>	<b>-1.2%</b>	<b>\$ 403,055</b>	<b>-6%</b>	
<b>Balance</b>	<b>-\$ 66,039</b>	<b>-\$ 57,462</b>	<b>-\$ 10,177</b>		<b>\$ 7,795</b>		
Estimated Reserve Balance			\$ 65,000		\$ 72,795		

Explanatory Notes:

- (1) Legal work relating specifically to CAFII
- (2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses
- (3) Speaker lunches such as the one we did in BC and other events where we invite provincial regulators
- (4) Research for the creditor issues committee and any new issue that may come up
- (5) Placeholder
- (6) Faskin Martineau work: legal fees, meeting costs associated with regulation changes, potential insurance act updates, and issues related to new or propose restricted licensing regimes.
- (7) Fees for PR, media and communications firm

F2011 Reserve:  
As at December 14, 2010

Operating Expenses	2013	Est. Monthly
Management Fees	\$ 74,150	\$6,179
Wages and Benefits	\$ 135,000	\$11,250
Audit Fees	\$ 13,108	\$1,092
Board/EOC/AGM Expense	\$ 23,000	\$1,917
Insurance	\$ 4,320	\$360
Telephone/Fax/Internet	\$ 1,000	\$83
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
	<u>\$ 257,591</u>	<u>\$ 21,298</u>

Minimum Reserve = Greater of:	
Reserve at 25% of Annual Operating Expense =	<b>\$ 64,398</b>
Reserve at 3 months of Operating Expense =	\$ 63,895

2009 Maximum Reserve (= approved Budget)	<b>\$ 436,387</b>
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Current Reserve Ratio (in months):	
Total Unrestricted Net Assets (as at 10/30/2010)	<u>\$ 143,616</u>
Monthly Operating Expense	<u>\$ 21,298</u>
	<b>6.7</b>