

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 | 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**
- 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
 - Munich Reinsurance Company Canada Branch (Life)
 - Optima Communications
 - RGA Life Reinsurance Company of Canada
 - Torys LLP
 - PWC
 - RankHigher.ca
 - *TBC
 - *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**
- 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
 - Torys LLP
 - RankHigher.ca
 - *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)