

**FINANCE DIVISION  
FINANCE COMMITTEE SUMMARY**

**OBJECTIVE:**

Serve the Executive Committee in an advisory capacity in all matters relating to Million Dollar Round Table (MDRT) budgets, investments and fiscal planning.

**GLOBAL COUNCIL MEMBER/CHAIR SUMMARY:**

- The work for this committee is just beginning. My orientation meeting for the role took place on October 8<sup>th</sup> and our committee will be meeting for the first time on November 4<sup>th</sup> and 5<sup>th</sup>. At the orientation meeting, we went over the meeting agenda for the upcoming committee meeting which will include familiarizing everyone with their role, reviewing the September 30, 2019 MDRT Financial Statement as well as reviewing and approving the 2020 MDRT Operating and Capital Budget. We will also be meeting with Larry Macy and Glenn Miller from Merrill Lynch for a full review of the investment portfolios.
- Regarding our roles and responsibilities; the committee members will be reminded that they are privileged to sensitive and confidential material that should not be discussed freely with others outside of the committee. We will also spend some time clarifying the role when it comes to approving budget recommendations. They need to be aware that any amount over \$10,000 will also be approved by ExCom and our role is not necessarily to analyze whether the project is appropriate but how does it fit into the approved budget to make sure we stay on track. We will also spend time on what to look for when the monthly reports are received. The number of pages and figures can be overwhelming and we will go over what key part of the report they need to pay the most attention to.
- During our last conference call in July, we reviewed the overall investment portfolio performance and Larry and Glenn from M&M Group assured us that the accounts have reached an asset value that would qualify for a lower management fee. This will be followed up to make sure it has taken place and find out what is the next band that needs to be reached to see a further reduction.
- The proposed 2020 budget has an overall projected increase in operating revenue of \$3.55 Million dollars over 2019 based on a reaching membership of 65,000. This is attributed to the increase in the registration fee of \$200 which was approved and will take effect this coming year.
- There is an increase in projected operating expenses compared to 2019 to support the many initiatives in order to provide value to our members. They are to name a few: The Academy, MDRT App etc., additional legal costs to deal with the China issue and running The EDGE Meeting and Global Conference at a loss. A surplus of \$2.192 million is expected. This clearly shows that the increase in registration is timely as without the additional revenue we might be in a deficit.

**CHALLENGES TO CONSIDER:**

The China issue is apparently being dealt with and we are told we are making headway and it should be resolved. If not resolved, it could have a negative impact to the number of members from China and our overall revenue.

- We have been riding a Bull Market for the last 10 years. We need to be prepared that there could be a correction around the corner and may need to increase the amount of funds kept in our Operating Reserve Fund.
- Larry Macy and Glenn Miller from Merrill Lynch have provided great service and the investment portfolios have performed well against the benchmark. Glenn is retiring and he will provide an update on his transition plan to our committee in November. As a committee, we will need to identify if there

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are any issues surfacing with this upcoming change and make sure that the level of service and performance continues.

**OPPORTUNITIES TO CONSIDER**

- The EDGE meeting provides a great opportunity for USA and Canadian members to network and experience the value of a smaller meeting. Consideration should be given to providing Continuous Education Credits for this conference. The fall is a time when members take stock of what additional credits they need and more may choose the EDGE if C.E. credits are provided.

**MEMBER RECOGNITION**

- Too early to provide feedback as committee has not yet met.

**PARTICIPANTS**

ExCom Liaison:	Ross Vanderwolf, CFP, Fortitude Valley, Queensland, Australia
Global Council Member/Chair:	Aurora L. Tancock, FLMI, CFP, St. Catharines, Ontario, Canada
Members:	Daniel M. Boardman, CLU, CFP, Burlington, Vermont, USA Adrian George, CFP, TEP, Calgary, Alberta, Canada Roy John Hall, ADFP, Hope Island, Queensland, Australia Susan Catherine Paterson, FChFP, Loganholme, Queensland, Australia Adam A. Solano, Jr., CRPC, Grayslake, Illinois, USA William T. Spencer, CFP, AIF, Sudbury, Massachusetts, USA
Staff Liaison(s):	Mark Leon, CPA and Steve Stahr, CAE