



CFA Society
Toronto

2016 ANNUAL REPORT

TABLE OF CONTENTS

WHO WE ARE

Mission, Vision	1
-----------------------	---

CHAIR OF BOARD & CEO MESSAGES	2
-------------------------------------	---

CFA SOCIETY TORONTO'S SPONSORSHIP PARTNERS	4
--	---

Facility Services	6
-------------------------	---

2015 INITIATIVES

The Canadian Advocacy Council	7
-------------------------------------	---

Affinity Program, Canadian Passport Program, CICBV, Anti-Spam Legislation	8
--	---

IIROC, Financial Advisory, ESG Content	9
--	---

2015-2016 EVENTS & HIGHLIGHTS

58th Annual Forecast Dinner	10
-----------------------------------	----

Annual Charter Recognition	11
----------------------------------	----

Symposiums & Conferences	12
--------------------------------	----

Annual Appreciation Event	13
---------------------------------	----

Third Annual Ethics Challenge	14
-------------------------------------	----

Tenth Annual CFA Institute Research Challenge	14
---	----

CFA Society Toronto & Hillsdale Canadian Investment Challenge	15
--	----

Mentorship	15
------------------	----

MEET THE TEAM

2015-2016 Board Members	16
-------------------------------	----

2015-2016 Standing Committees	16
-------------------------------------	----

Programming Committee Volunteers	17
--	----

Non-Programming Committee Volunteers	18
--	----

Management Office	18
-------------------------	----

FINANCIAL REPORTS

Independent Auditor's Report	19
------------------------------------	----

Statement of Financial Position	20
---------------------------------------	----

Statement of Operations	21
-------------------------------	----

Statement of Changes in Net Assets	22
--	----

Statement of Cash Flows	23
-------------------------------	----

Notes to Financial Statements	24
-------------------------------------	----

TO ACHIEVE OUR VISION AND MISSION, WE FOCUS ON THE FOLLOWING:

Programming and Education

- Our events provide opportunities for education and professional development on a wide range of issues relating to investments and the investment process. Events are topical and convenient to attend. Most are open to all interested individuals.
- Recognizing the rigour of the CFA program, we offer high quality seminars and relevant resources in support of tomorrow's investment leaders — the CFA candidates.

Networking and Career Development

- Through participation in our programs and volunteering opportunities, members gain access to a network of peers, investment professionals, and corporate leaders with whom they can learn from, and exchange ideas.
- We offer a job posting service, which investment firms and executive recruiters actively use to attract and recruit investment professionals

Communication

- We ensure and maintain an effective flow of information by keeping a positive line of communication through our web site, committees, e-newsletters, publication, and social media.
- Our office staff, located in the heart of Toronto's financial district, is on call and ready to respond to your inquiries.
- We value our relationship with other professional organizations, and continue to maintain our affiliation with CFA Institute and other CFA Societies. We also actively advance our members' interests and values through communication with related groups, securities regulators and the media.
- Through our awards and scholarship programs, we work with academic institutions and others to support excellence in investment research, building a stronger future of finance.

Standards and Objectives

We promote high standards of professional ethics and competence, encouraging fairness and efficiency in the operation of capital markets. Our members are required to submit an annual statement to the effect that they have adhered to the principles embodied in CFA Institute's Code of Ethics and Standards of Professional Conduct. We champion professional competence by encouraging our members to complete the Chartered Financial Analysts (CFA) program and to participate in continuing education activities. We continue to foster our relations with regulatory and other professional organizations to better assist in government policy formulations, provide feedback on topical issues, and to act as a forum for the dissemination of relevant information.

Outreach

To fulfil our mission and to meet the goals set out in our vision, we have continued to dedicate our efforts towards broadening and nurturing our professional networks with various stakeholders, including employers, high-net-worth individuals, academic institutions, and the greater investment community. We have also created new bonds with likeminded organizations with similar interests. Through these collaborations, we are able to amplify and extend the reach of our voice in establishing the Society as Toronto's, if not Canada's, investment community's thought leader. We continue to educate the public on important matters such as advancements in the investment industry, promulgating latest studies and reports, and, most importantly, promoting fair and ethical investment practices. With all our outreach efforts, our membership continues to be the strongest vehicle in educating the public on the professional excellence and high level of standards embodied in the CFA charter.

CHAIR OF BOARD MESSAGE



Anish Chopra, CFA

We, the staff and volunteers at CFA Society Toronto, have continued to focus our efforts over the past year towards providing our members with relevant and engaging content through our programming and member services. Our programming committees have planned and executed high caliber events, sourcing the industry's most influential individuals, which included practitioners, academics, and policymakers. Events such as our first FinTech Conference in June sold out twice over and received overwhelmingly positive feedback. This is just one way in which we demonstrated our ability to stay current with the investment industry, and to position our Society as a thought leader in the investment community.

We continued our efforts towards building a long-term sustainable investment practice by providing mentors for tomorrow's leaders of our trade. At the local level of this year's CFA Institute's Research Challenge, we provided volunteers and paired them with student teams from five universities across Ontario. Our volunteers provided the knowledge and experiences from their own practices to the students, and offered guidance when analyzing the case. This year, students from the University of Waterloo's School of Accounting and Finance won the local and regional levels of the competition, and were ultimately awarded the global championship after competing against 106 schools from around the world. The competition required the students to research and analyze a publicly traded company, and to report on the company with a buy, sell, or hold recommendation.

We have also enriched our member services even further. We have paid close attention to our membership to better understand what tools and resources you require to position yourself for success in today's work environment. This includes building stronger relations with our sponsors and partners to extend your member benefits to other organizations. We have continued to develop our Affinity Program by engaging new partners and diversifying the offerings within the program. Furthermore, we have continued our outreach efforts in engaging employers to educate them on the values embodied within the CFA designation, which all charterholders share.

2016 has been a year of many achievements, and it has been a great honour to serve as your Chair. I look forward to working with everyone in my new role as Past Chair in 2017.

Anish Chopra, CFA

CHIEF EXECUTIVE OFFICER'S MESSAGE

Before we plan ahead for 2017, we must take the time to review and reflect on our 2016 achievements and accomplishments, to position us better on a path for success in the New Year. In this Annual Report, you will find some examples of our achievements and highlights of the past year—none of which would have been possible without the support, and dedication to the investment practice, of our members.

We started 2016 with our Annual CFA Charter Recognition event, where we welcomed 250 of our newest charterholders to the society. We also congratulated them on their accomplishment, and acknowledged the hard work and determination required to successfully complete all three levels of the CFA exams—a struggle many of us are familiar with. For new charterholders, the successful completion of the CFA exams opens a new door to professional opportunities and, through their Society membership, access to a network of like-minded charterholders at all career levels and in every asset class of the investment practice.

This year also marked CFA Society Toronto's eightieth anniversary. The Society had its humble beginnings in 1936, when a small group of investment professionals began meeting at local diners during their lunch hours to discuss the current events of their profession. Early members would gather to share innovative ideas and experiences that would further develop the investment practice. Since then, we have evolved into the world's largest society of CFA charterholders.

As Toronto continues to transform into a globally recognized financial hub, reaching the levels of New York City and London, U.K., our members are leading the charge armed with a keen sense of investment knowledge and high ethical standards in their practice.

Our society contains a very diverse pool of knowledge and professional experiences, and I highly encourage our members to contribute to the development of a stronger future for the investment community by volunteering on one of our many committees in 2017.

Thank you to our members for making 2016 a successful year. Our achievements would not have been possible without your support and commitment to the investment profession.

Sue Lemon, CFA



Sue Lemon, CFA

CFA SOCIETY TORONTO'S SPONSORSHIP PARTNERS

SPONSORSHIP PROGRAM

Creating and sustaining quality associations with corporate partners helps expand and amplify our networks to better support our members within an ever-changing industry landscape. We continue to actively engage our valued Corporate, Facility and Event sponsors for new affiliations and to define unique ways to bring our partnerships to life, with mutually beneficial outcomes. As the activation of our strategic plan progresses, the importance of enhancing these relationships will continue, both from the perspective of long-term growth and with respect to support of our mission and vision.

Funds and in-kind support provided by our esteemed sponsors are used to offset program costs. They allow us to continue our work in developing and implementing superior events and programs, member services, and, most importantly, in outreach efforts towards building a stronger future for finance. Society sponsorships vary in range and engagement levels from Corporate to Facility, to Affinity to In-kind and Affiliation, all with the goal of helping enhance the reputation of the CFA® charter.

CORPORATE SPONSORS

We are incredibly grateful for the support of our 2016 Corporate Partners:

PLATINUM



THOMSON REUTERS

GOLD



FACILITY SPONSORS

Our Facility Sponsors serve an important role by providing dedicated funds for support of one (each) of the modern, highly functional meeting spaces located at our busy downtown Toronto office. Thank you to our committed 2016 Facility Sponsors:



EVENT SPONSORS

Society programming activities include events that vary in scope and size. Our larger events require important sponsor support that comes via meal, reception, and/or other sponsorship opportunities, all of which help us offset some of our event production costs. The diverse range of events we offer throughout the year draws specific demographics, including seasonal or particular subjects divided by asset classes, a unique cross-section of investment professionals and their extended networks, and much more. To better serve our membership, we work alongside our sponsors to ensure communications are relevant and aligned with the values embodied by the CFA® designation. We are continuing to develop a stronger and mutually beneficial relationship between our sponsors and members by working closely together with like-minded organizations while keeping our members' interests in mind.

We thank all our 2016 event sponsors, ranging from those supporting our Annual Investment Dinner to those supporting individual conferences and events.

AFFILIATIONS

Alliances and cross-promotional activities with like-minded partners are an important part of expanding and amplifying our voice and network. Our affiliation relationships currently include:

CEFTA – Canadian ETF Association

CICBV – The Canadian Institute of Chartered Business Valuators

CIRI – Canadian Investor Relations Institute

CPA Canada – Chartered Professional Accountants Canada

CPAB – Canadian Public Accountability Board

CVCA – Canadian Venture Capital & Private Equity Association

FEI Canada – Financial Executive Network

FPSC – Financial Planners Standards Council

IASB – International Accounting Standards Board

ICD – Institute of Corporate Directors

IIAC – Investment Industry Association of Canada

Ivey Business School

PMAC – Portfolio Management Association of Canada

PRMIA – Professional Risk Managers' International Association

Rotman School of Management at the University of Toronto

Schulich School of Business at York University

SOA – Society of Actuaries

Smith School of Business at Queen's University

TFSA – Toronto Financial Services Alliance

WCM – Women in Capital Markets

For more information on unique sponsorship opportunities, please contact:

Chris J. Burke

Corporate Engagement & Sponsor Relations Manager,
at cburke@cfatoronto.ca

416 366-5755 ext. 221.

“Our partnership with CFA Society Toronto gives us access to a strong network of financial professionals, enhances our investor education initiatives and assists in our branding strategies.”

– Steve Hawkins

President and Co-CEO

Horizons ETFs Management (Canada) Inc.

“S&P Dow Jones Indices has been a Gold Sponsor of the CFA Society Toronto events calendar for three years and our experiences have been nothing but first quartile. Our partnership with CFA Society Toronto represents an ideal alignment of interests and purpose in that we both focus on education-driven messages of current topics to financial advisors, asset owners, investment managers and investment consultants without the taint of product and/or sales pitches. By association, our sponsorship of the Society’s event calendar and its diverse array of subject matter affords us tremendous value in cultivating and building on brand awareness for our depth intellectual capital and capabilities.

In particular, my relationship with all levels of CFA Society Toronto’s team over the past three years has been consistently courteous, accommodating, and above all professional. Needless to say, I am an enthusiastic advocate of CFA Society Toronto.”

– Randall O’Leary, MA (Eco)

Head, Channel Management – Canada

S&P Dow Jones Indices

“Sionna Investment Managers has been a corporate sponsor of CFA Society Toronto for a number of years. This partnership has created a means for Sionna to promote our brand to investment professionals, as well as an opportunity to support the Society in their efforts to encourage the development of CFA® charterholders.”

– Kim Shannon, CFA, MBA

President and Co-Chief Investment Officer

Sionna Investment Managers

“We are going on our second year as the facility sponsor of CFA Society Toronto and are excited to continue to build relationships with chapter members. So far, we have taken advantage of the advertising opportunities included with our sponsorship agreement that has helped us generate brand awareness in the Toronto area. We are in the process of planning an in-person event hosted by CFA Society Toronto, and look forward to the opportunity of having FactSet thought leaders speak to society members around industry trends. This will help us continue to drive awareness, build relationships, and establish ourselves as thought leaders around topics our clients and prospective clients care about.”

– Wendy Thomas

Vice President, Sales Manager

FactSet Canada

FACILITY SERVICES

To better serve our investment community, we are proud to offer our facilities for event spaces. Our state-of-the-art facilities are equipped with wi-fi, Smart Board, and projector with screen. We also offer webinar, webcasting, and video-conferencing capabilities making our facilities ideal for classroom-style courses, round-table discussions, board meetings and cocktail receptions.



- **The Training Room** is our main facility ideal for classroom education.



- **The FactSet Room** is great for medium to large board meetings, and teleconferencing.



- **The Vanguard Room** is the perfect venue for interviews or intimate business meeting.



- **The Sienna Room** is ideal for medium-sized meetings or small presentations.

If you'd like to come by and visit the spaces or would like to request a quote, please do not hesitate to contact us at facilityservices@cfatoronto.ca.

THE CANADIAN ADVOCACY COUNCIL FOR CANADIAN CFA INSTITUTE SOCIETIES

The Canadian Advocacy Council (CAC) is a group of dedicated volunteers that come from CFA societies across Canada and from all sectors of the capital markets and investment industries. Currently, we are made up of 11 members who are geographically dispersed across Canada. The CAC seeks to maintain a dialogue with securities regulators, standard setters, and self-regulatory organizations, and responds to many of their requests for comment. Through these efforts we seek to advocate for investor interests and to promote high standards of ethical and professional conduct in the investment industry consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct.

Fiscal year 2015/2016 was filled with regulatory changes, many of which continued the work of initiatives that were started much earlier. Regulatory changes and proposals included ongoing work on rules regarding equity and fixed income market structure and best execution, fixed income market transparency, advisor proficiency and CE requirements, changes to the regulation of financial planners and related activity, the OSC's new whistleblower program, and further developments in the changing derivatives regulation regime.

During the year, the CAC responded to 25 different regulatory processes via formal comment letters and reviewed numerous other public requests for comment. In addition to formally published comment letters, the CAC regularly interacts with regulators, policy-makers, and other related industry groups during in-person meetings and through its involvement in discussion forums like roundtable discussions. It also interacts through less formal channels with regulators by building and maintaining relationships with key points of contact.

Moving forward, we are excited to be preparing comments on the current proposal on the duties of investment advisors to their clients (including the OSC-proposed best interest standard), eagerly await further details on new regulation of mutual fund fees and sales practices, are responding to continued changes around the fast-developing derivatives regulation regime, and following regulators' continued focus on the structure of secondary capital markets. We also look forward to working through further steps toward the new co-operative regulatory body, and to further movement from regulators (and legislators) on changes to the financial planning regulatory landscape.

If you are interested in learning more about the CAC, please visit: www.cfaadvocacy.ca or reach out to one of our members across the country

Michael Thom, CFA
Chair, Canadian Advocacy Council

AFFINITY PROGRAM



We are pleased to host a variety of partnerships to elevate our society's membership with exclusive discounts and special offers. Stay up to date with the Affinity Program and find out more at www.cfatoronto.ca/Affinity.

We are constantly seeking new opportunities to enrich our Affinity Program to stay current and meet the changing requirements of our membership.

Please contact sponsorship@cfatoronto.ca if you have any comments or concerns regarding the program. We value all feedback.

CANADIAN PASSPORT PROGRAM



CFA Societies Canada introduced a passport program initiative to enhance the benefits of local society membership and to encourage comradery between societies across the nation.

The Canadian Passport Program offers members of any CFA Society in Canada the opportunity to attend events outside of their society location at the discounted member rate.

CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS (CICBV)

This initiative further enhances the scope of educational programming and professional development opportunities available to all of our members.

In partnership with CICBV, we will be offering several events at member rates to both organizations. In addition to broadening and enhancing the portfolio of programming currently available to our respective members, we believe that this endeavour will provide members of both groups with a greater opportunity to interact and develop lasting professional relationships.

CICBV is the largest professional valuation organization in Canada. It is the sole administrator of the Chartered Business Valuator designation and provides education and accreditation to its members. To learn more about CICBV please visit www.cicbv.ca.

CANADA'S ANTI-SPAM LEGISLATION



On 1 July 2014, Canada's Anti-Spam Legislation (CASL) came into place to protect Canadians. This legislation dramatically changed the way businesses engage and communication with Canadians. This includes communications directed to our existing and potential members, and partners. We have created a staff-led CASL task force to implement the required measures to ensure we are fully CASL compliant. Our CASL task force is responsible for staying current with the legislation while maintaining our ability to effectively communicate to our membership, partners, and affiliates.

IIROC PROPOSES TO RECOGNIZE CFA LEVEL 1

The Investment Industry Regulatory Organization of Canada (IIROC) is considering a proposal to allow CFA Level 1 to be recognized as a proficiency requirement for IIROC members. Details can be found in the 10 March 2016 Notice released on the IIROC website (www.iiroc.ca).

The proposed changes are a positive development that reflects IIROC's ongoing commitment to setting high standards of proficiency, professionalism, and ethics within the investment dealer industry in Canada. The proposed recognition of the CFA Program would provide benefits to various stakeholders in our industry, including our members.

ONTARIO EXPERT COMMITTEE TO CONSIDER FINANCIAL ADVISORY AND FINANCIAL PLANNING POLICY ALTERNATIVES

On 17 June 2016, we worked together with CFA Institute, CFA Society Ottawa, and the Canadian Advocacy Council to submit a comment letter to the Ontario Expert Committee regarding Financial Advisory and Financial Planning Policy Alternatives.

Ultimately, it was agreed that many of the recommendations stress the importance of harmonization with existing regulators and SROs on all fronts. We strongly recommended setting up an Oversight Committee comprised of industry experts such as CFA, CPA, Legal, FCP, and others, to set minimum proficiency standards for further harmonization. A final decision and recommendation from the Expert Committee is expected by the fall of 2016.

ESG CONTENT IN THE CFA PROGRAM AND CONTINUING EDUCATION PROGRAM

We received a letter in May 2016 from a group of Asset Managers across the country highlighting their interest in and support of environmental, social, and governance (ESG) as an important element of investment analysis and encouraged further enhancements regarding ESG content in the CFA Body of Knowledge and the Continuing Education Program.

CFA Institute and the 12 CFA Societies in Canada responded to the letter on 12 July 2016, with information on ESG efforts, which are continually developing and expanding. Highlights included enhancements made to the CFA Program to incorporate more modern ESG content and techniques; a dedicated ESG web page that includes various ESG specific resources, articles, and blog posts; and an online ESG course, which would provide an introduction and the fundamentals of ESG issues. CFA Institute is also pursuing at least two additional research projects around ESG issues, and has made a concerted effort, through Society events, to incorporate ESG-related content and conferences.

2015-2016 EVENTS & HIGHLIGHTS



We were delighted to host our 58th Annual Forecast Dinner (now known as the Annual Investment Dinner) at the Metro Toronto Convention Centre. Over 900 investment professionals from various industries attended this year's flagship event. Members of our city's investment community and their guests gathered to recap the financial predictions made for 2015. They also discussed global market trends and—most importantly—the effects of those global trends on our local economy.

Joining us at this year's dinner were our master of ceremonies, comedian Steve Patterson, and keynote speakers Ed Clark, John Mauldin, and Chris Young, JD, CFA.

Utilizing audience response devices, our attendees made the following predictions for 2016:



How do you think Ontario's economy will perform over the next year?

Forty-three percent believe Ontario's economic performance for 2016 will be similar to 2015. Twenty-nine percent believe Ontario will be performing worse, and 28 percent believe it will be better.

Will shareholder activism remain a significant factor impacting the corporate landscape?

Sixty-two percent believe that shareholder activism is a factor that will impact the corporate landscape to generate alpha. For those who do not believe shareholder activism as a significant factor: 18 percent believe that it is too short-termist in nature, 11 percent believe that activism will decrease as the space becomes crowded, and 9 percent believe that regulators will limit the powers of shareholder activism.

Which is the greater risk to global growth?

Seventy-one percent believe that a declining Chinese economy will have a greater impact on global growth, while 29 percent believe that another recession in Europe to be a greater risk.



ANNUAL CFA CHARTER RECOGNITION

On 19 January, we were pleased to host the Annual CFA Charter Recognition where we welcomed 244 of Toronto's newest CFA charterholder members. Joining us this year were John Bowman, CFA, Managing Director, Americas, CFA Institute, and Paul Smith, CFA, President, CFA Institute. During John Bowman's speech, he officially announced CFA Society Toronto as being the largest society of charterholders in the world.

There were 708 investment professionals in the Greater Toronto Area that successfully earned their CFA designation in 2015. Of those new charterholders, 639 became members of CFA Society Toronto.

On average, candidates study for over 300 hours per level of the exam with 53% of global candidates successfully completing the Level III exam in June 2015. CFA Institute has administered well over one million exams since the inauguration of the CFA program in 1963.



2015-2016 EVENTS & HIGHLIGHTS



The Institutional Investment Management Forum provides institutional investment management practitioners an opportunity to network and share ideas with fellow practitioners, and provides the industry's most influential investors the ability to engage in candidate discussions. This year's forum included a panel of key decision makers who provided crucial insights regarding current investment challenges and solutions from various perspectives. Highlights of this year's Institutional Investment Management Forum include the review of the Canadian Pension Plan Investment Board's Investment framework, shift portfolio composition from Beta to Alpha, how to invest in the new neutral market, and best practices for investing in a low rate environment.



With the past success of our Equity Investment Symposiums, we were pleased to once again invite the industry's most influential Portfolio Managers to unveil their market outlooks and top investment ideas at the 2016 Equity Investment Symposium. Advisors, Portfolio Managers, Asset Allocators and Private Investors from around the Greater Toronto Area joined us for the half-day interactive symposium. Senior Portfolio Managers of large proprietary investment funds provided the audience with an engaging presentation that outlined their best investment practices, and factors to long-term sustainable success.



The 2016 Annual Spring Pension Conference is one of our most anticipated flagship events. It provides the investment community with the latest updates from relevant thought leaders in the Canadian pension industry. This year's conference covered topics including global and domestic economic outlooks, the past and future of provincial pension plans, the role and success of pension plan management, asset allocation, factor investing, and the stability of Canadian and U.S. banks, as well as the art and science of prediction. The event was co-moderated by Betty Liu and Pamela Ritchie of Bloomberg TV and Bloomberg TV Canada, and the notable speakers included keynote speaker and co-author of the book *Superforecasting*, Dan Gardner.



In recent years, financial services have been changing at an unprecedented rate whilst facing a plethora of threats from new market developments. In response to this rapid technological evolution in the financial industry, we put together three panels of experts in June at our first FinTech Conference. Our panels of FinTech experts provided key insights on how new technologies, including digital advice (robo-advisors), crowdfunding, and blockchain, and on the potential impact they may have on practices. The conference also included an interactive blockchain simulation, where attendees had the opportunity to participate and gain the basic elements of blockchain technology by experiencing first-hand how crypto-currency is created, and how actual transactions are executed.



ANNUAL APPRECIATION EVENT

On 23 June, we celebrated the hard work and dedication of our volunteers at the 2016 Annual Appreciation Event. Every year we host this event to recognize the many efforts of our volunteers. The evening also includes a volunteer awards ceremony where an MVP is selected from each committee. Congratulations to all our committee MVPs, and thank you to all our volunteers for your outstanding work and commitment to the investment industry.



MVP VOLUNTEER AWARD WINNERS:

Andrew Morgan, CFA	Membership
Ankit Arora, CFA	Corporate Finance
Catherine Dimitriadis, CFA	Equity
David Brattan, CFA	Kitchener-Waterloo
Heather Cooke, CFA	Risk Management & Alternative Investments
James Davis, CFA	Portfolio Management
Kathrin Harke, CFA	Continuing Education
Kevin Dickinson, CFA	Fixed Income
Linda Palin, CFA	Private Client
Marian Hoffmann, CFA	Mentorship
Parham Nasser, CFA	External Relations & Advocacy
Paul Hamilton, CFA	Career Management
Robert Thompson, CFA	Finance
Steve Balaban, CFA	Awards & University Relations
Victoria Barclay, CFA	Member Communications

2015-2016 EVENTS & HIGHLIGHTS

THIRD ANNUAL ETHICS CHALLENGE

On 14 January 2016 we welcomed student teams from the University of Ottawa's Telfer School of Management, Queen's University's Smith School of Business, the University of Toronto's Rotman School of Management, and York University's Schulich School of Business for the third annual Ethics Challenge. Teams had two months to examine a financial case study, analyze the ethical dilemma, and prepare their recommendations in a ten-minute presentation. The goal of the challenge is to provide an opportunity for finance students to examine real industry circumstances that CFA charterholders may face. The competition is designed to challenge the analytical and ethical skills students possess, and require, to face real-life situations throughout their careers. Through understanding and demonstrating the importance of ethical decision-making from the start of their careers, future financial professionals can improve the functioning of capital markets and build a stronger level of trust within the investment community.

Due to the overwhelming success of this year's Ethics Challenge, CFA Societies Canada will be taking this initiative onto the national stage for 2017's competition. CFA Societies across Canada will be hosting competitions where local universities submit student teams to analyze, and financial case studies and present their recommendations to a panel of financial experts. Winning teams from each local society will move on to compete against other schools from across the nation.



Student team from the University of Toronto's Rotman School of Management won the Ethics Challenge for the third time in a row. L-R: Johnny Wu, Nicole Jiang, Yuying Ren, and Michael Kim demonstrated their ability to expertly negotiate ethical dilemmas in a real-life investment scenario, and provided a compelling presentation of their case to a panel of seasoned investment professionals.

10TH ANNUAL CFA INSTITUTE RESEARCH CHALLENGE

The 10th Annual CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis. Students work in teams to research and analyze a publicly traded company, and each team writes a research report on its assigned company with a buy, sell, or hold recommendation. Teams that progress to local, regional, and global finals competitions must present and defend their analysis to a panel of industry professionals.

This year, students from the University of Waterloo's School of Accounting and Finance, and their CFA Society Toronto mentors, took the global win after competing against 106 teams from across the globe. The students went up against stiff competition at the global stage of the Research Challenge, including teams from Ateneo de Manila University (repeat APAC Champions), Politecnico di Milano (past Global Champions and repeat EMEA Champions), and the University of Georgia. The University of Waterloo is the second Canadian team to win the Americas Regionals level of the challenge, and the first Canadian team to be Global Champions of the competition.



Student team from the University of Waterloo's School of Accounting and Finance – L-R: Adnan Khan, Brent Small, Rudder Zhang, Daniel Zhang, Kam Dhaliwal – taking the global championship at the 2016 CFA Institute Research Challenge in Chicago, Illinois. Student team members were supported by their CFA Society Toronto mentors, Steve Balaban, CFA and Craig Geoffrey, CFA

CFA SOCIETY TORONTO & HILLSDALE CANADIAN INVESTMENT RESEARCH CHALLENGE

In partnership with Hillsdale Investment Management Inc., we were pleased to award the winners of this year's CFA Society Toronto & Hillsdale Canadian Investment Research Challenge to Michele Meoli, J. Ari Pandes, Michael J. Robinson, CFA, and Silvio Vismara for their paper, "Does Spending Time in the Minors Pay Off?" The research paper was selected by a panel of judges from among 19 very competitive manuscripts submitted by academics from top business schools around the world, as well as practitioners of leading investment firms in Canada.



L-R: Chair of CFA Society Toronto, Anish Chopra, CFA; with award winners J. Ari Pandes, Michael J. Robinson, and President of Hillsdale Investment Management, Chris Guthrie, CFA

MENTORSHIP PROGRAM



Our Mentorship Program has successfully matched over 300 mentor and protégé pairings since 2007. The program aims to bridge the gap between new and experienced charterholders and facilitate a means for charterholders to pass on their knowledge and experience to future investment leaders. By transmitting knowledge and demonstrating high ethical practices, we can ensure the long-term sustainable success of future generations in the investment community.

CFA Institute acknowledged the program's value to charterholders by honouring the society with the Award for Innovation after the program's inaugural year. In 2016 we have made 23 percent more mentorship/protégé pairings than 2015.



MEET THE TEAM

2015/2016 BOARD MEMBERS



Back Row L-R:

BOARD MEMBER AT LARGE
Richard Talbot, CFA

VICE-CHAIR/MEMBERSHIP
Dan Lavallee, CFA

OUTREACH
Noam Silberstein, CFA

BOARD MEMBER AT LARGE
Alain Bergeron, CFA

Front Row L-R:

BOARD MEMBER AT LARGE
Bruce Grantier, CFA

CEO AND BOARD MEMBER
Sue Lemon, CFA

CHAIR
Anish Chopra, CFA

SECRETARY-TREASURER
Pamela Steer, CFA

Absent:

PAST CHAIR
Chris Polson, CFA

PROGRAM CHAIR
Marcus Turner, CFA

MEMBER SERVICES
Vadim Gracie, CFA

2015-2016 STANDING COMMITTEES

EXECUTIVE COMMITTEE

Anish Chopra, CFA
Dan Lavallee, CFA
Pamela Steer, CFA
Chris Polson, CFA

AUDIT COMMITTEE

CHAIR
Alain Bergeron, CFA
MEMBERS
Adrian Morgan, CFA
Noam Silberstein, CFA
Brenda King, CA, CFA

FINANCE COMMITTEE

CHAIR
Pamela Steer, CFA
MEMBERS
Roger Robineau, CFA
Michael Kehoe, CFA
Mandy Samols, CFA
Kevin Veenstra, CFA
Dhaval Shah, CFA
Bobby Thompson, CFA

GOVERNANCE COMMITTEE

CHAIR
Chris Polson, CFA
MEMBERS
Tom Trainor, CFA
Daniel Lavallee, CFA
Nancy Bertrand, CFA
Brian Shaw, CFA
Richard Talbot, CFA

MEMBERSHIP

CHAIR
Jennifer Schillaci, CFA
VICE-CHAIR
Brian Madden, CFA
MEMBERS
Frances Chen, CFA
Andrew Morgan, CFA
Hafiz Noordin, CFA
Answerd Ramcharan, CFA
Otto Yung, CFA

PROGRAMMING COMMITTEE VOLUNTEERS

CONTINUING EDUCATION

CHAIR

Colette Tom, CFA
(*On Maternity Leave*)

ACTING CHAIR/VICE CHAIR

Lee McNab, CFA

ACTING VICE CHAIR

Kathrin Harke, CFA

SENIOR ADVISOR (PRIMARY)

Sean Cleary, CFA

SENIOR ADVISOR (SECONDARY)

Harry Marmer, CFA

MEMBERS

Razvan Boconcios, CFA

Rupel Ruparelia, CFA

Maurice Smith, CFA

Justin Taheri, CFA

Amelia Young, CFA

EQUITY

CHAIR

Chris Sheridan, CFA

VICE CHAIR

Cathy Dimitriadis, CFA

SENIOR ADVISOR

John Stephenson, CFA

MEMBERS

Michael Demeter, CFA

Ben Gossack, CFA

Andrew Heald, CFA

Al Mansur Khan, CFA

Morgan Pampe, CFA

Craig Thompson, CFA

Viren Wong, CFA

David Wright, CFA

RISK MANAGEMENT & ALTERNATIVE INVESTMENTS

CHAIR

Catherine A. Marshall, CFA

VICE CHAIR

Sadiq Alladina, CFA

Senior Advisor

Vadim Gracie, CFA

MEMBERS

Adam Brueckner, CFA

Heather Cooke, CFA

Scott Henshaw, CFA

Robert Lennox, CFA

Andrew Lin, CFA

Jennifer Schillaci, CFA

Yelena Stepanyan, CFA

Aaron Vale, CFA

KITCHENER - WATERLOO

CHAIR

Craig Geoffrey, CFA

VICE CHAIR

David Brattan, CFA

MEMBERS

Steve Cornell, CFA

Andrea McCarraher-Milijakovic, CFA

Fabio Pucci, CFA

Elena Stepanchuk, CFA

Michael Williams, CFA

PORTFOLIO MANAGEMENT

CHAIR

Letty Dewar, CFA

VICE CHAIR

Grace (Zhuoyun) Yu, CFA

SENIOR ADVISOR

Bruce Grantier, CFA

MEMBERS

Mike (Maged) Aziz, CFA

James Davis, CFA

Robert Cultrano, CFA

M. Kamran Siddiqui, CFA

Maureen Stapleton, CFA

Marcus Turner, CFA

PRIVATE CLIENT

CHAIR

Keith Pangretitsch, CFA

VICE CHAIR

Zubair Ladak, CFA

MEMBERS

Steve Balaban, CFA

Julie Brough, CFA

Brian Galley, CFA

Randy Gunn, CFA

Linda Palin, CFA

Geoff Parker, CFA

Tom Trainor, CFA

Terence Vaughan, CFA

EXTERNAL RELATIONS & ADVOCACY

CHAIR

Nino Boezio, CFA

VICE CHAIR

Parham Nasser, CFA

MEMBERS

Michael Marchetti, CFA

Ashley Warburton, CFA

Xiaobo Wang, CFA

Jun Wang, CFA

June Zheng, CFA

CAREER MANAGEMENT

CHAIR

Anna Castro, CFA

VICE CHAIR

Belinda Labatte, CFA

SENIOR ADVISOR

Irene Barone

MEMBERS

Becky Perry, CFA

Neil Marsh, CFA

Andy Sun, CFA

Jody MacIntosh, CFA, CEM

Kristen McKillican, CFA

Jenifer Rush, CFA

Alexandra Zvarych, CFA

CORPORATE FINANCE

CHAIR

Anubha Arora, CFA

MEMBERS

Zamira Aliko, CFA

Ankit Arora, CFA

Trevor Carson, CFA

David Fidler, CFA

Tanya Kirsch, CFA

My Le, CFA

Valter Lourenco, CFA

William Wong, CFA

Paulina Yip, CFA

FIXED INCOME

CHAIR

Olesya Zhovtanetska, CFA

VICE CHAIR

David Matheson, CFA

SENIOR ADVISOR

John Carswell, CFA

MEMBERS

Kevin Dickinson, CFA

Russell Goldenberg, CFA

Irina Issakova, CFA

Rosemary Devli, CFA

Danielle Clements-Lewis, MBA, CFA

Adrian Croft, CFA

Georgeta Iacobelli

MEET THE TEAM

NON-PROGRAMMING COMMITTEE VOLUNTEERS

MENTORSHIP

CHAIR

John Ewing, CFA

VICE CHAIR

Mike Schankula, CFA

Senior Advisor

Deborah Lee Chang, CFA

MEMBERS

Steve Balaban, CFA

Teresa (Terri) Ellis, CFA

Marian Hoffmann, CFA

Irina Issabkova, CFA

Kar-Wei Lam, CFA

Francis (Ka Wing) Lau, CFA

Macy Mills, CFA

AWARDS & UNIVERSITY RELATIONS

CHAIR

Noam Silberstein, CFA

MEMBERS

Rajeev Arora, CFA

Ankit Arora, CFA

Steve Balaban, CFA

Joel Bangalan, CFA

Christy DeCosimo, CFA

Marian Hoffmann, CFA

Mark MacDonald, CFA

Lara Misner, CFA

Tim Nakai, CFA

Gerry Ramos, CFA

Camilla Sutton, CFA

Aaron Vale, CFA

Anthony Visano, CFA

Otto Yung, CFA

MEMBER COMMUNICATIONS

CHAIR

Devin Crago, CFA

MEMBERS

Salman Amin, CFA

Victoria Barclay, CFA

Dennis Bardetsky, CFA

James Barry, CFA

Irfan Chaudhry, CFA

Lisa Hui

Victor Lee, CFA

Rossa O'Reilly, CFA

Vanja Peric, CFA

Ron Schwarz, CFA

Camilla Sutton, CFA

MANAGEMENT OFFICE



Back Row L-R:

Allison Murray, CPA-CA

Alix Cooper

Jonathan Mai

Chris Burke

Michael Duhamel

Alexandra Pegg

Front Row L-R:

Ashley Plume

Dawn Wong

Norma Summers

Sue Lemon, CFA

Candice Spencer

Jenny Yeo



FINANCIAL STATEMENTS

Independent Auditor's Report

August 25, 2016

To the Members of
The Toronto Society of Financial Analysts
(operating as CFA Society Toronto)

We have audited the accompanying financial statements of The Toronto Society of Financial Analysts (operating as CFA Society Toronto), which comprise the statement of financial position as at June 30, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Toronto Society of Financial Analysts (operating as CFA Society Toronto) as at June 30, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

PricewaterhouseCoopers LLP
400 Bradwick Drive, Suite 100, Concord, Ontario, Canada L4K 5V9
T: +905 326 6800, F: +905 326 5339

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

As at June 30, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	1,000,619	658,483
Short-term investments (note 3)	1,826,514	1,800,051
Accounts receivable	97,310	142,317
Prepaid expenses	170,243	92,163
Restricted cash (note 4)	102,034	82,124
	3,196,720	2,775,138
Capital assets (note 5)	205,148	277,888
Intangible assets – net of accumulated amortization of \$62,586; 2015 - \$50,390	48,284	18,663
	3,450,152	3,071,689
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	515,877	298,072
Unearned revenue	646,443	564,834
Due to Canadian Advocacy Council (note 7)	93,875	60,178
	1,256,195	923,084
Deferred lease inducement (note 8)	139,649	192,736
	1,395,844	1,115,820
Net assets		
Investment in capital assets (note 9)	142,124	140,720
Stabilization reserve	715,000	715,000
Opportunities and technology reserve	500,000	500,000
Event cancellation reserve	100,000	100,000
Capital expenditures reserve	375,000	300,000
Unrestricted	222,184	200,149
	2,054,308	1,955,869
	3,450,152	3,071,689

Approved on behalf of the Board:

Director



Director



The accompanying notes are an integral part of these financial statements.

Statement of Operations

For the year ended June 30, 2016

	2016 \$	2015 \$
Revenues		
Membership dues	1,348,739	1,270,284
Program and sponsorship revenue	849,665	997,551
Member operations revenue	87,002	43,767
Membership placement services	315,810	273,800
Candidate education	65,030	86,639
CFA Institute discretionary grants	498,226	195,967
Other member services	25,273	29,678
Facility services	24,872	47,448
Interest and miscellaneous income	35,501	44,556
	3,250,118	2,989,690
Expenditures		
Program expenses	589,799	592,991
Salaries and related benefits	1,359,574	1,114,708
Member operations expenses	342,530	298,994
Professional services	187,804	189,285
Rent and utilities	236,358	232,663
Marketing and development	122,567	86,031
Amortization	114,936	102,793
Office and general	55,184	46,606
Telecommunications and website	109,034	102,389
Meetings, conferences and honoraria	33,893	32,435
	3,151,679	2,798,895
Excess of revenues over expenditures for the year	98,439	190,795

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Assets

For the year ended June 30, 2016

	2016						
	Invested in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
	\$	\$	\$	\$	\$	\$	\$
Balance - Beginning of year	140,720	715,000	500,000	100,000	300,000	200,149	1,955,869
Excess (deficiency) of revenues over expenditures for the year (note 9)	(70,413)	-	-	-	-	168,852	98,439
Transfer to internally restricted funds	-	-	-	-	75,000	(75,000)	-
Investment in capital assets (note 9)	71,817	-	-	-	-	(71,817)	-
Balance - End of year	142,124	715,000	500,000	100,000	375,000	222,184	2,054,308

	2015						
	Invested in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
	\$	\$	\$	\$	\$	\$	\$
Balance - Beginning of year	126,058	715,000	500,000	100,000	225,000	99,016	1,765,074
Excess (deficiency) of expenditures over revenues for the year (note 9)	(58,270)	-	-	-	-	249,065	190,795
Transfer to internally restricted funds	-	-	-	-	75,000	(75,000)	-
Investment in capital assets (note 9)	72,932	-	-	-	-	(72,932)	-
Balance - End of year	140,720	715,000	500,000	100,000	300,000	200,149	1,955,869

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended June 30, 2016

Cash provided by (used in)	2016	2015
	\$	\$
Operating activities		
Excess of revenues over expenditures for the year	98,439	190,795
Items not involving cash		
Amortization		
Capital and intangible assets	114,936	102,793
Deferred lease inducement including rent allowances	(53,087)	(45,810)
	<u>160,288</u>	<u>247,778</u>
Change in non-cash working capital		
Accounts receivable	45,007	1,594
Prepaid expenses	(78,080)	21,759
Restricted cash	(19,910)	(20,203)
Accounts payable and accrued liabilities	217,805	83,295
Unearned revenue	81,609	113,044
Due to CAC	33,697	20,203
	<u>440,416</u>	<u>467,470</u>
Investing activities		
Purchase of investments	(1,376,562)	(1,378,586)
Proceeds from sale of investments	1,350,099	1,337,768
Purchase of capital assets	(30,000)	(72,932)
Purchase of intangible assets	(41,817)	-
	<u>(98,280)</u>	<u>(113,750)</u>
Change in cash during the year	342,136	353,720
Cash - Beginning of year	658,483	304,763
Cash - End of year	<u>1,000,619</u>	<u>658,483</u>

Notes to Financial Statements

June 30, 2016

1. Nature of operations

The Toronto Society of Financial Analysts (the Society), operating as CFA Society Toronto, was incorporated by letters patent under the Corporations Act of the Province of Ontario on June 30, 1970 as a not-for-profit corporation. The purposes of the Society are:

- a) to provide and maintain an organization for those persons who are directly or indirectly engaged in financial analysis as related to securities investment and to advance and protect generally the status, welfare and interests of such persons;
- b) to formulate and promote high standards of ethics in financial analysis;
- c) to educate and inform financial analysts as to techniques, standards and developments with regard to financial analysis, securities and securities markets in order that they might serve the public more competently;
- d) to hold or sponsor conferences, seminars, courses and workshops or otherwise disseminate information and ideas among members of the Society and to the public relating to financial analysis as related to securities investment; and
- e) to publicize information regarding financial and security analysis in order to promote public understanding of its role and usefulness.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), Part III of the Chartered Professional Accountants of Canada Handbook, as issued by the Canadian Accounting Standards Board. The financial statements reflect the following significant accounting policies.

Revenue recognition

Membership dues are collected by CFA Institute and distributed to the Society. Revenue is recognized in the period to which it relates.

Program and facility services revenues are collected by the Society and recognized as revenue on the date the event occurs.

Membership placement service and candidate education revenues are recognized as the related services are provided.

Interest is calculated on the daily balance and is credited and recognized at the end of each month.

Net assets

The financial statements have been prepared in a manner that segregates net asset balances as follows:

- a) Investment in capital assets represents the Society's net investment in capital assets purchased with Society funds, less accumulated amortization thereon since acquisition.
- b) Stabilization reserve represents an internally restricted fund to ensure the continuity of the Society by providing a liquidity reserve.

- c) Opportunities and technology reserve represents an internally restricted fund for new initiatives and opportunities as they arise. This fund will ensure new initiatives can be pursued in the absence of funding availability in the current year's budget.
- d) Event cancellation reserve represents an internally restricted fund to be drawn on when a major event needs to be cancelled due to poor attendance or unforeseen circumstances.
- e) Capital expenditures reserve represents an internally restricted fund to finance any capital projects that are considered necessary without the need to fund such a project entirely from the current year's operating budget.

Unrestricted comprises the remaining excess of revenues over expenditures from operations that are available for general use.

Financial instruments and risk management

The Society initially measures its financial assets and financial liabilities at fair value and subsequently measures them at amortized cost.

Credit risk associated with cash, short-term investments, restricted cash and investments is minimized substantially by ensuring these assets are invested in financial obligations of major financial institutions that have been accorded investment grade ratings by a primary rating agency. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the investment policy of the Society. Credit risk associated with accounts receivable is reduced by monitoring overdue accounts receivable.

Liquidity risk is the risk the Society cannot repay its obligations when they come due. The Society has liquidity risk in accounts payable and accrued liabilities and due to Canadian Advocacy Council (CAC) of \$609,752 (2015 - \$358,250).

The Society reduces its exposure to liquidity risk by ensuring it documents when authorized payments come due and holding assets that can be readily converted into cash. In the opinion of management the liquidity risk exposure of the Society is low.

It is management's opinion that the Society is not exposed to significant interest rate risk, currency risk, liquidity risk and market risk.

Notes to Financial Statements (continued)

June 30, 2016

Cash

Cash consists of cash balances with major financial institutions.

Capital assets

The costs of capital assets are capitalized on meeting the criteria for recognition as capital assets, otherwise, costs are expensed as incurred. The cost of capital assets comprises their purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Capital assets are tested for impairment whenever events or changes in circumstances indicate their carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of capital assets is charged to operations in the period in which the impairment is determined.

An impairment loss is not reversed if the fair value of the capital assets subsequently increases.

The Society provides for amortization using methods and rates designed to amortize the cost of the capital and intangible assets over their estimated useful lives. Amortization is provided on a straight-line basis, over the following periods:

Furniture and fixtures	5 years
Computer equipment	3 years

Amortization of leasehold improvements is recorded over the remaining term of the lease.

Intangible assets

Intangible assets consist of website design which is amortized over three years on a straight-line basis.

Deferred lease inducement

Deferred lease inducements are amortized on a straight-line basis over the term of the lease.

Contributed services

The work of the Society is dependent on the voluntary service of many members. The value of donated services is not recognized in these financial statements.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the current estimates.

3. Short-term investments

	Interest rates	Maturity date	2016 \$	2015 \$
Savings account			8,765	640,289
Guaranteed investment certificates	1.35% to 2.0%	October 28, 2016 to December 5, 2015	1,817,749	1,159,762
			<u>1,826,514</u>	<u>1,800,051</u>

4. Restricted cash

Restricted cash comprises a balance held in trust for the Canadian Advocacy Council in the amount of \$93,875 (2015 - \$60,178) (note 7) and amounts received from other societies with spending restrictions.

It includes the balance of funds received from the Toronto Options and Futures Society in the amount of \$8,159 (2015 - \$12,774) to be used towards conferences, events or other work related to derivatives and risk management.

5. Capital assets

	2016		2015	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	240,026	210,517	29,509	43,387
Leasehold improvements	340,024	218,392	121,632	170,332
Computer equipment	167,853	113,846	54,007	64,169
	<u>747,903</u>	<u>542,755</u>	<u>205,148</u>	<u>277,888</u>

6. Accounts payable and accrued liabilities

	2016 \$	2015 \$
Accounts payable and accrued liabilities	513,293	296,645
Government remittances	2,584	1,427
	<u>515,877</u>	<u>298,072</u>

Notes to Financial Statements (continued)

June 30, 2016

7. Due to CAC

The Society performs back office services for the CAC and the balance represents unspent amounts received from the CAC. The CAC is the primary obligor undertaking its activities and the Society bears no risk in the activities of the CAC. The activities of the CAC, which are set out below, are not recorded in the statement of operations:

	2016 \$	2015 \$
Balance - Beginning of year	60,178	39,975
Receipts	145,492	128,888
Disbursements	(111,795)	(108,685)
Balance - End of year	93,875	60,178

10. Commitment

The Society is committed to lease office premises under a lease ending December 31, 2018. Future minimum lease payments, including estimated operating costs and realty taxes are approximately as follows:

	\$
2017	278,420
2018	278,420
2019	139,210
Thereafter	—
	<u>696,050</u>

8. Deferred lease inducement

	2016		2015	
	Leasehold improvements \$	Rent allowance \$	Total \$	Total \$
Opening balance	155,831	36,905	192,736	238,546
Amortized to expense	(44,523)	(8,564)	(53,087)	(45,810)
Closing balance	111,308	28,341	139,649	192,736

9. Investment in capital assets

Significant capital assets include furniture, office equipment and leasehold improvements. Net assets invested in capital assets are calculated as follows:

	2016 \$	2015 \$
Capital assets (note 5)	205,148	277,888
Intangible assets	48,284	18,663
Deferred lease inducement (note 8)	(111,308)	(155,831)
	<u>142,124</u>	<u>140,720</u>

The change in net assets invested in capital assets is calculated as follows:

Excess of expenditures over revenues		
Amortization of capital and intangible assets	(114,936)	(102,793)
Amortization of deferred lease inducement	44,523	44,523
	<u>(70,413)</u>	<u>(58,270)</u>
Investment in capital assets		
Capital and intangible assets acquired	71,817	72,932



Rotman School of Management
UNIVERSITY OF TORONTO



Omar Karim

MFin '17, CFA, MBA
Associate, Sales and Trading
Fixed Income, Currencies and Metals
TD Securities

Rotman
MASTER OF FINANCE

EXPERIENCE THE BEST OF BOTH WORLDS

Earn your Master of Finance in 20 months and
accelerate your career in downtown Toronto.

Sharpen your financial edge with the Rotman Master of Finance.

416 978 3386 www.rotman.utoronto.ca/MFin

CE Approved
Provider



CFA Institute



**CFA Society
Toronto**

120 Adelaide Street West, Suite 701
Toronto, ON M5H 1T1
www.cfatoronto.ca