



2022 ANNUAL REPORT



CFA Society
Toronto

SETTING A HIGHER STANDARD FOR THE
TORONTO INVESTMENT COMMUNITY

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FROM THE DESK OF THE CEO

At the end of our 2021-2022 fiscal year, we noted a positive turning point both in terms of the COVID-19 pandemic and a noteworthy milestone at CFA Society Toronto. Despite this year being another challenging one, we can see light at the end of the tunnel. The pandemic has taught us a great deal about connecting with and serving our members virtually and in-person.

11,000 Members Strong

Between May 2021 and March 2022, CFA Society Toronto officially welcomed 900 new members. The addition of these members marked CFA Society Toronto becoming the largest CFA Society in the world, with more than 11,000 members. Harikrishnan Pillai had the distinct honour of activating his membership on February 23, 2022, and becoming the Society's 11,000th member. With a membership that has increased by 15 percent in the past five years, CFA Society Toronto is thrilled to be able to serve a world-class membership. In addition to the achievement of being over 11,000 members strong, 98 percent of members are CFA charterholders. Supporting investment professionals and focusing on high ethical standards for the past 86 years, CFA Society Toronto is thrilled to celebrate this milestone and looks forward to the many successes of our membership and the Society in the years to come.

The Return to In-Person Programming

CFA Society Toronto takes the safety of our membership, volunteers, staff, and local investment community seriously. We follow provincial guidelines and stringent cleaning protocols to ensure that our members feel safe and secure attending our in-person events, and we continue to offer a plethora of virtual programming options.

We were pleased to be able to host in-person networking events, including the Annual Mentorship Program Mixer, the Annual Volunteer Summer Social, an evening Membership Information Session, and a New Member Welcome Reception. We also welcomed new charterholders at a sold-out Class of 2020 and 2021 Annual Charter Recognition Gala Event.

Reflecting on the earlier part of the year, I am incredibly proud of the ways we have striven to foster meaningful relationships with our valued members and critical stakeholders. We have stayed connected during an unprecedented time of disconnect. Whether in-person or virtually, CFA Society Toronto continues to set the standard and support the ethical betterment of the investment industry.

Sue Lemon, CFA
CEO, CFA SOCIETY TORONTO

WHO WE ARE WE ARE 11,000 STRONG

Founded in 1936, CFA Society Toronto is a not-for-profit association affiliated with CFA Institute. We support the professional development and advancement of CFA® charterholders and provide the greater investment community with a local perspective on a global designation. Our membership is diverse, consisting of investment practitioners from both the institutional and retail arenas, and is active in a variety of job functions, including portfolio management, trading, research analysis, financial advising, and consultancy.

OUR VISION

The leading source of world-class investment professionals

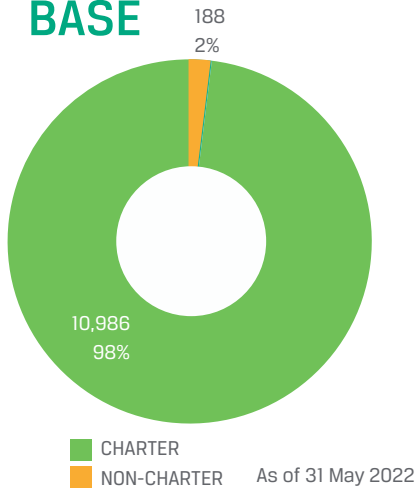
OUR MISSION

Creating opportunities for our members to raise standards and make high-quality contributions toward a trustworthy financial community

OUR MEMBERSHIP

CFA Society Toronto is the world's largest group of charterholders among 161 societies globally, representing the interests of more than 11,000 investment professionals in the Greater Toronto Area. With the support of our growing membership, we garner international recognition as a global thought leader in the investment community and provide a powerful voice on issues of concern to our members.

MEMBERSHIP BASE

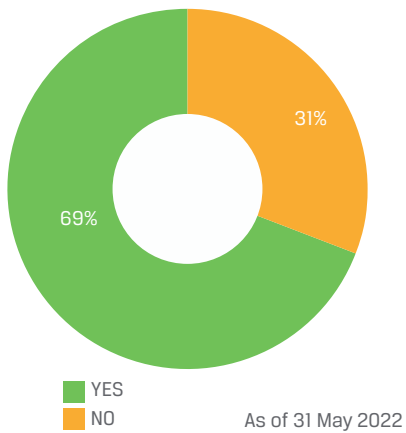


ACTIVE SOCIETY MEMBERS

Year-End as of 30 April (for years 2019 and onwards)
 Year-End as of 30 June (for years prior to 2019)
 Year-to-Date as of 31 May 2022

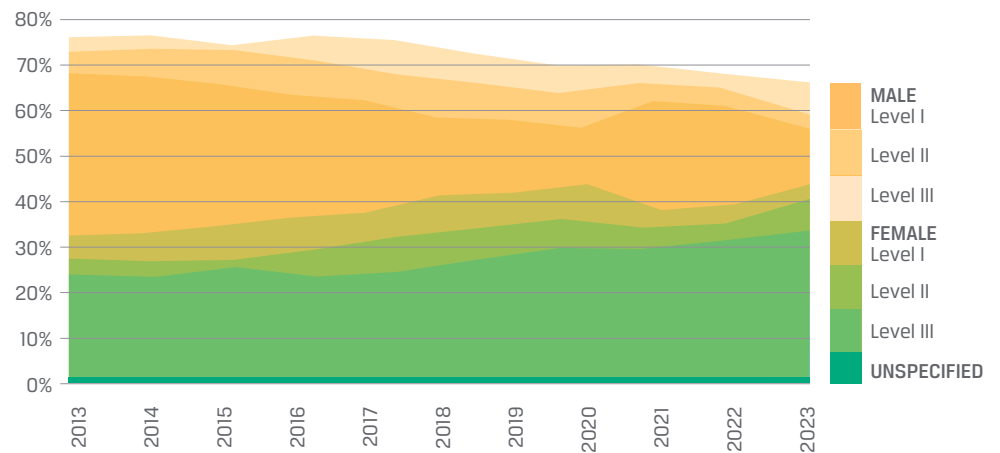


EMPLOYER SUPPORT

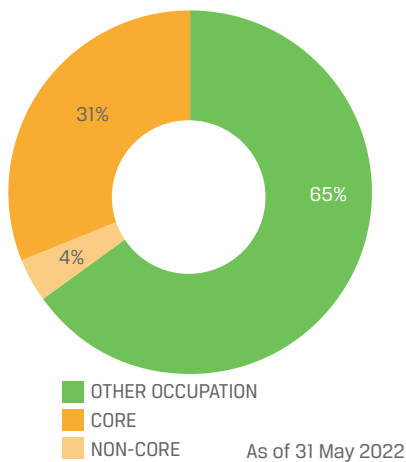


CANDIDATE GENDER TRENDS

As of 31 May 2022

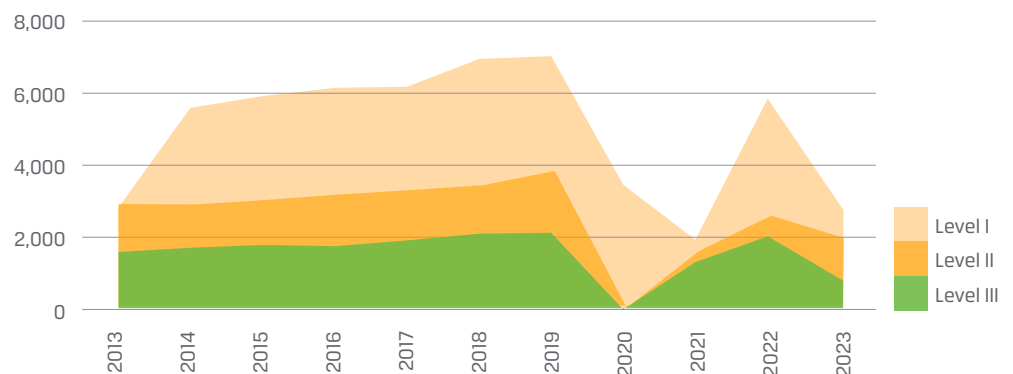


OCCUPATION TYPE



PROGRAM REGISTRATIONS

As of 31 May 2022



MEMBER SERVICES

CFA Society Toronto has never lost sight of the goal of supporting members to expand their networks and build their personal brands as leaders in the investment community.

We achieve this through a well-crafted collection of activities and programs that provide our community with timely and relevant professional and career enhancement opportunities. Mentorship programs, contributions to industry publications, community outreach, and transitioning opportunities for newcomers are just a few of our activities.

HERE ARE SOME HIGHLIGHTS >

2022 MENTORSHIP PROGRAM

2022 was a terrific year for our Mentorship Program, as 69 protégés were paired! Chair Andrew Heald, CFA, and Co-Vice Chairs Eve Makarova, CFA, and Deena Padamadan, CFA, worked with the Mentorship Committee to develop and deliver a year's worth of virtual workshops and in-person events. Two new events were introduced this year: **Protégé Mixers**, where members had the opportunity to mingle with fellow Mentors and Protégés and a **Protégé Workshop: Strategic Networking: Paving Your Path to Success**.

"DAY IN THE LIFE OF" SPEAKER SERIES

The "Day in the Life of" series consists of interactive Q&A sessions featuring charterholders from a wide range of the financial industry. More than 600 people participated in the series this year. The recordings remain available on our website.

KNOWLEDGE NETWORK DIRECTORY

The **Knowledge Network** is an online directory that aims to connect CFA Society Toronto members to a knowledge bank of skilled professionals within our membership community. This on-demand directory allows members to receive prompt feedback on professionally related enquiries, such as industry trends and best practices, professional experiences, career guidance, and more.

ASK US ANYTHING VIDEO SERIES

In this video series, the Mentorship Committee addresses frequently asked questions from our local CFA community. The committee reveals their practitioner tips, tricks, and solutions for how to effectively navigate your career path within the financial industry. There are now more than 60 videos in this growing collection.

MEMBER COMMUNICATIONS: THE ANALYST

CFA Society Toronto's quarterly publication, *The Analyst*, offers timely and relevant investment content written from the unique perspectives of local CFA charterholders. Subscription to our online platform continues to grow as we cover important industry topics such as ESG, FinTech, Diversity and Inclusion. *The Analyst* is published quarterly and the print publication is produced and distributed to members in June and December.

MEMBER DISCOUNTS

CFA Society Toronto members enjoy exclusive discounts and special offers through our Member Discounts. With the broad range of services and activities available, there is something for everyone. Stay up to date and find out more at www.cfatoronto.ca/membership/discounts.

CAREER CENTRE

CFA Society Toronto's Career Centre has an active listing of financial, industry-specific job opportunities. New jobs are posted regularly and available exclusively to Society members. Recently, the Society introduced a members' email dedicated to promoting postings on our Career Centre. This initiative, with an average open rate of 56 percent, helps our members keep abreast of new postings.

PROGRAMMING

CFA Society Toronto continues to offer the investment community robust education opportunities, with a focus on meeting the varied professional and career development needs of our evolving investment industry. We are proud to provide the investment community with unique perspectives on emerging topics.

Recognizing the different learning styles and time commitments of individuals, we tailor our events to best meet the needs of our members with seminars, workshops, conferences, courses, and webinars.

EVENT AND PROGRAMMING HIGHLIGHTS

Fiscal Year 2022 was a busy year for CFA Society Toronto, hosting over 75 events that collectively welcomed more than 5,300 registrants (71% members, 29% non-members). The five programming committees along with programming staff worked together to develop and deliver events that met the professional needs of our members and offered them value.

HERE ARE SOME HIGHLIGHTS FROM OUR YEAR OF EVENTS >

CRYPTO SERIES

Our Crypto Series covered topics that are relevant to our financial community. Attendees heard from subject matter experts about the differences between Bitcoin and Ethereum, as well as risks of crypto investment and how organizations are navigating through these issues.



WEALTH CONFERENCE SERIES

Due to the pandemic, many advisors had to change the way they engaged with clients and were forced to embrace technology like never before. CFA Society Toronto leveraged technology to run this year's Wealth Conference with a six-part virtual series to help close knowledge gaps and allow advisors to have better conversations with their clients.

ANNUAL FORECAST VIRTUAL DINNER

The 2021 Annual Forecast Dinner was another virtual event for CFA Society Toronto. The more than 300 participants were entertained by Mega Magic, an international award-winning magician and mentalist, and then enjoyed a warm fireside chat with guest speaker Niall Ferguson, internationally renowned historian, academic, author, and filmmaker. Niall shared his perspectives of the future post-pandemic world, with a focus on what history can teach investors about mitigating future risks as well as identifying post-pandemic investment opportunities.



ANNUAL MEETING

CFA Society Toronto's 2021 Annual Meeting was held online and offered a perfect balance of business and fun. Directors and officers were elected, financial statements and auditors report were reviewed, and auditors were appointed for the upcoming year. Once the business was finished, the games began with a game show challenge facilitated by The Escape Game. The evening ended with a cocktail hour where members, the Board, and staff were able to further network. Feedback was very positive and will guide our team as we plan more events in the coming year.

PRIVATE EQUITY BOOTCAMP NEW THIS YEAR

CFA Society Toronto hosted an inaugural Private Equity Bootcamp session taught by Steve Balaban, CFA, CIO of Mink Learning and award-winning lecturer in private equity at the University of Waterloo. Though this session was held virtually, this one-of-a-kind bootcamp provided a full day of interactive exercises and stimulating discussions. Following the success of the first session and by popular demand, CFA Society Toronto hosted another Private Equity Bootcamp a few months later.

ECONOMIC PROGRESS REPORT

CFA Society Toronto was joined by the Governor of the Bank of Canada, Tiff Macklem, to provide an Economic Progress Report and talk about the Bank's latest interest rate announcement and what's driving inflation in Canada. The more than 100 attendees enjoyed the exclusivity of an engaging Q&A session.



ANNUAL NEW MEMBER WELCOME RECEPTION

At the core of CFA Society Toronto are our valued members. We were thrilled to host a Welcome Reception for the newest members from 2020 and 2021. Almost 150 members had the opportunity to meet and mingle in-person at this reception. It was a wonderful evening of cocktails and networking.

Leveraging Effective Communication Skills to Become a Better Leader
10 May 2022
2:00 pm - 4:00 pm ET

LEVERAGING EFFECTIVE COMMUNICATION SKILLS TO BECOME A BETTER LEADER

For the first time since the start of the pandemic in March 2020, the Professional Development Committee was able to host an in-person event. This interactive workshop discussed how to write and deliver an impactful introduction, essential qualities of storytelling, and best practices to prepare for answering questions, both expected and unexpected.

ANNUAL CFA CHARTER RECOGNITION
Class of 2020 & 2021
THE CARLU
444 YONGE STREET, TORONTO, ON
24 JUNE 2022
5:30 PM - 9:00 PM

ANNUAL CFA CHARTER RECOGNITION

There were many firsts for this year's Annual CFA Charter Recognition event. More than 350 charterholders from the classes of 2020 and 2021 attended our first in-person Charter Recognition event since March 2020. This annual event was not only a return to an in-person format, but it was also our first time holding it as a gala dinner instead of as a networking graduation ceremony. There was great enthusiasm and energy at the event. We will leverage all of the lessons learned as we plan upcoming CFA Charter Recognition events.

SPONSORSHIP & CORPORATE RELATIONS

OVERVIEW

CFA Society Toronto's sponsorship programs allow organizations to reach our members in a meaningful way. Our members represent an extensive cross-section of investment professionals. Revenue generated by Society sponsors helps offset program costs, allowing us to continue our work on the development and implementation of Society member services and continuing education. Society sponsorship categories include Corporate, Facility, and Event. These sponsorship opportunities range in scope from single-year to multi-year terms and offer activation across many Society communication channels. CFA Society Toronto recognizes the invaluable contributions and support of all our sponsors, and we acknowledge each of them for their ongoing patronage.

CORPORATE SPONSORS

CFA Society Toronto's Corporate Sponsors enjoy full brand presence through the breadth of the Society's channels and platforms. Our valued Corporate Sponsors include:

- **Horizons ETFs**, Gold Corporate Sponsor
- **TMX Group**, Gold Corporate Sponsor
- **Desjardins Global Asset Management**, Bronze Corporate Sponsor

EVENT SPONSORS

CFA Society Toronto's events can range in size from 100 to over 600 attendees. Sponsors assist with offsetting the costs of technology set-up and other expenses associated with hosting events. Whether looking to target a specific role within the industry, or reach a broader audience of like-minded individuals, event sponsorship can help organizations reach the right stakeholders.

In Fiscal 2022, the Society hosted events including:

- Annual Forecast Virtual Dinner
- Annual Equity Symposium
- Annual Pension Conference
- Annual Wealth Conference
- CFA Charter Recognition Event
- ESG Bootcamp
- Crypto Series

FACILITY SPONSORS

Our Facility Sponsors enjoy the benefits of naming rights to modern meeting spaces within our downtown Toronto office; a very visible brand position that all visitors and guests see when visiting our space. CFA Society Toronto's office can host meetings of many different sizes and formats. Our facilities offers state-of-the-art audio/visual and other available technology.

- **National Bank Independent Network**
- **Scotia Global Asset Management**

GOLD CORPORATE SPONSORS

ABOUT HORIZONS ETFs MANAGEMENT (CANADA) INC.



Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in

Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has more than \$22 billion of assets under management and 105 ETFs listed on major Canadian stock exchanges. See www.horizonsefts.com.

ABOUT TMX GROUP



TMX Group operates global markets and builds digital communities and analytic solutions that facilitate the funding, growth and success of

businesses, traders and investors. TMX Group's key operations include Toronto Stock Exchange, TSX Venture Exchange, TSX Alpha Exchange, The Canadian Depository for Securities, Montréal Exchange, Canadian Derivatives Clearing Corporation, TSX Trust and Trayport which provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver and New York), as well as in key international markets including London, Singapore and Vienna. For more information about TMX Group, visit our website at www.tmx.com.

BRONZE CORPORATE SPONSOR

ABOUT DESJARDINS GLOBAL ASSET MANAGEMENT



Founded in 1998, Desjardins Global Asset Management (DGAM) is one of Canada's leading asset managers,

with in-house expertise in equities, fixed income and real assets (infrastructure and real estate) in a variety of investment vehicles. DGAM manages over C\$86 billion (as of March 31, 2022) in institutional assets on behalf of insurance companies, pension funds, endowments, not-for-profit organizations and corporations across Canada.

With offices in Montreal, Quebec City and Toronto, our team of over 80 investment professionals uses a collaborative approach and combines innovation, accessibility and discipline to design solutions tailored to the unique needs of our clients. We integrate our cooperative values into our investment process to ensure that we help our partners and clients grow their assets in a sustainable and responsible manner.

FACILITY SPONSORS

ABOUT NATIONAL BANK INDEPENDENT NETWORK



National Bank Independent Network (NBIN) began as one of the first clearing services for independent advisors in Canada. Today, we are Canada's leading provider of custody, trade execution and brokerage solutions, all backed by the financial strength and ongoing support of National Bank of Canada. Whether you are just starting out or have a well-established business, our goal is the same: to provide support and services that allow you to achieve your vision, your way. Ignite your entrepreneurial spirit, confident in the reliability and support of NBIN.

ABOUT SCOTIA GLOBAL ASSET MANAGEMENT

Scotia Global Asset Management.

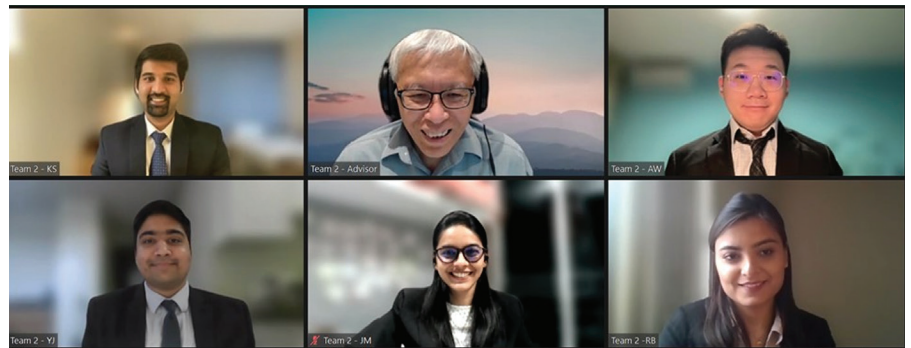
Scotia Global Asset Management is a business name used by 1832 Asset Management L.P., a limited partnership, the general partner of which is wholly owned by Scotiabank. Scotia Global Asset Management offers a range of wealth management solutions, including mutual funds, and investment solutions for private clients, institutional clients and managed asset programs.

AWARDS & UNIVERSITY RELATIONS

CFA Society Toronto Awards & University Committee is proud to support Ontario college and university students with meaningful and practical programs to highlight and promote the importance and influence of the valued CFA designation.

CFA SOCIETY TORONTO ETHICS CHALLENGE

The Ethics Challenge is a Canada-wide competition between student teams from undergraduate and graduate finance and economics programs. Each team analyzes a case study created by CFA Institute that is released in January. Four weeks later, teams present their findings at a local-level competition, highlighting the ethical dilemmas and solutions based on their case study. The winners from each local competition move forward to compete at the national level, co-ordinated by CFA Societies Canada.



On February 11, 2022, York University's Schulich School of Business was awarded the winning title of the 2022 CFA Society Toronto Local Ethics Challenge. This year's local champions from the Master of Finance program at Schulich School of Business included Rishika Bhatia, Yusuf Jiruwala, Juhi Maru, Kaustubh Sharma, Anbochao Wang. The team was mentored by their Faculty Advisor, Gregory Pau.

CFA INSTITUTE RESEARCH CHALLENGE

The 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.



On February 17, 2022, student teams from the University of Ottawa, Telfer School of Management, the University of Toronto, Mississauga and the University of Waterloo, School of Accounting and Finance, presented their research and analysis of the subject company, Transcontinental Inc, at the final round of the local competition.

The University of Waterloo, School of Accounting and Finance earned the winning title at the local level of the CFA Institute Research Challenge. This year's local champions include Alice Qin, Muhammad Sadiq, Ziming Gao, Murtaza Zaidi, Steven Balaban, CFA, Faculty Advisor, and Jeannine LiChong, CFA, Industry Mentor.

UNDERGRADUATE AWARDS

This scholarship award recognizes third and fourth year undergraduate students in Ontario who have demonstrated excellence in academics and extracurricular activities.

Students from universities across Ontario submitted their applications, along with their résumés and 500-word essays, outlining why they should be selected for the award. Their submissions were reviewed by a panel of CFA Society Toronto volunteers. This year's scholarship winners include:

THIRD YEAR AWARD RECIPIENTS:

FIRST PLACE

Callum Dye, Queen's University

SECOND PLACE

Jeffrey Howson, McMaster University

THIRD PLACE

Olivia Jia, Queen's University

FOURTH YEAR AWARD RECIPIENTS:

FIRST PLACE

Shu Lei Wu, Queen's University

SECOND PLACE

Sheel Dalal, Queen's University

THIRD PLACE

Monica Xie, York University

STUDENT AMBASSADOR PROGRAM

CFA Society Toronto's Student Ambassador Program strives to give post-secondary (undergraduate and graduate) finance and economics students in the GTA the opportunity to represent our university relations programming at their school.

This year's Student Ambassadors include:

BROCK UNIVERSITY

Hashim Sarwar

Undergraduate

GEORGE BROWN COLLEGE

Daniel Nguyen

Undergraduate

Jimmy Versteeg

Undergraduate

HUMBER COLLEGE

Heli Mehta

Undergraduate

Andy Zadeh

Undergraduate

WILFRID LAURIER UNIVERSITY

Louay Chauki

Undergraduate

Arthur Segalin

Undergraduate

MCMASTER UNIVERSITY

Ewelike Alaekwe

Graduate

Jeffrey Howson

Undergraduate

QUEEN'S UNIVERSITY

Madeline Smart-Reed

Undergraduate

Peyton Southam

Undergraduate

ONTARIO TECH UNIVERSITY

Kurt Reyes

Undergraduate

Jay Saspara

Undergraduate

TORONTO METROPOLITAN UNIVERSITY

Aamir Anwar

Undergraduate

UNIVERSITY OF TORONTO MISSISSAUGA

Yue Yang

Graduate

Arijit Gupta

Undergraduate

Raunaq Rohile

Undergraduate

UNIVERSITY OF TORONTO ROTMAN

Justin Cal, CFA

Graduate

Inny Zhang

Undergraduate

UNIVERSITY OF TORONTO SCARBOROUGH

Jenny Lin

Undergraduate

WATERLOO UNIVERSITY

Sanovar Bajwa

Undergraduate

Ryan Trainor

Undergraduate

YORK UNIVERSITY

Nitya Bhatt

Undergraduate

Sammi Xu

Undergraduate

2022 HILLSDALE INVESTMENT MANAGEMENT – CFA SOCIETY TORONTO RESEARCH AWARD

The Hillsdale Investment Management – CFA Society Toronto Research Award is open to researchers globally who conduct research related to Canadian capital markets, including both academics (e.g., professors and students) and practitioners. Submissions are reviewed by a panel of CFA investment experts to ensure they are aligned with the rigorous values and standards embodied in the CFA designation.

This year's winning research paper is entitled *Outsourced Fund and Risk Taking: A Tale of Two Contracts*, authored by Saurin Patel, Ivey Business School, University of Western Ontario; Jung Hoon Lee, Owen Graduate School of Management, Vanderbilt University, and Shyam Venkatesan, Ivey Business School, University of Western Ontario.

VETERANS' SCHOLARSHIP PROGRAM



We recognize the sacrifice and dedication to service made by the men and women of the Canadian Armed Forces (CAF). With our common values in dedication, integrity and pride in our profession, CFA Society Toronto launched the Veterans' Scholarship Program last year to support Canadian veterans transitioning into the field of finance. The program awards recipients with:

- Exam, registration, and preparatory course fees for all three levels
- CFA program preparation courses and mock exams through Kaplan Schweser
- Access to CFA Society Toronto's support network

CONGRATULATIONS

2022 HILLSDALE INVESTMENT MANAGEMENT – CFA SOCIETY TORONTO RESEARCH AWARD

WINNERS

WINNING PAPER:

"Outsourced Fund and Risk Taking:
A Tale of Two Contracts"



Saurin Patel,
Ivey Business School,
University of
Western Ontario



Jung hoon Lee,
Owen Graduate School
of Management,
Vanderbilt University



Shyam Venkatesan,
Ivey Business School,
University of
Western Ontario



MEET THE TEAM

Our success is driven by the contributions of our diverse group of dedicated volunteers. Supported by management staff, CFA Society Toronto is guided by an active Board of Directors that oversees and provides strategic guidance to our committees and volunteers. Our volunteers are committed to a wide range of activities:

- Technical programs, workshops, and conferences by asset class and industry sector
- Standing committees on audit, governance and nominations, and membership
- Operating committees that support member communications, university relations, external relations, and awards

THANK YOU TO OUR 2021-2022 VOLUNTEERS

We would like to recognize the incredible work, successes, and accomplishments of our fabulous volunteers this year, especially during another year of unprecedented adjustments and challenges. Your dedication, leadership, and enthusiasm assisted CFA Society Toronto in offering exceptional events and activities, mentorships, publications, and professional development opportunities. Your contributions impacted members and students alike through awards and competitions, external relations, governance and operations, programs, projects, and initiatives, enabling CFA Society Toronto to become the largest CFA Society in the world.

2021/2022 BOARD MEMBERS



CHAIR
Brenda King-Hrycaj, CFA



VICE CHAIR
Mari Jensen, CFA



PAST CHAIR
Robert Cultraro, CFA



BOARD MEMBER-AT-LARGE
Andrew Auerbach, CFA



CHAIR, MEMBER SERVICES
Karl Cheong, CFA



BOARD MEMBER-AT-LARGE
Heather Cooke, CFA



CHAIR, PROGRAMMING
Paul Hamilton, CFA



CEO & BOARD MEMBER
Sue Lemon, CFA



CHAIR, OUTREACH
Brian Madden, CFA



SECRETARY-TREASURER
Bobby Thompson, CFA



VICE CHAIR, PROGRAMMING
Aaron Vale, CFA

2021-2022 STANDING COMMITTEES

FINANCE & AUDIT

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Bobby Thompson, CFA

MEMBERS

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Lina Irawati, CFA
Michael Kehoe, CFA
Rahim Khakiani, CFA
Jennifer Lee, CFA
Sue Lemon, CFA
Jason Mercer, CFA

Adrian Morgan, CFA
Allison Murray
Lindsay Quinn, CFA
Norma Summers
Wendy Wang, CFA
Tim Watson, CFA
Valerie Weddell

GOVERNANCE & NOMINATIONS

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MEMBERS

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Anish Chopra, CFA
Grace Cleary-Yu, CFA
Mari Jensen, CFA
Sue Lemon, CFA
Fred Pinto, CFA
Ron Schwarz, CFA
Christopher Sheridan, CFA
Norma Summers

MEMBERSHIP

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Answerd Ramcharan, CFA

VICE CHAIR

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MEMBERS

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Wei Hong, CFA
Andrew Ma, CFA
Mary Anne Palangio, CFA
Sophie Ren, CFA
Shirley Shi, CFA

2021-2022 PROGRAMMING COMMITTEES

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VICE CHAIR

Victor Russu, CFA

SENIOR ADVISOR

Kevin Dickinson, CFA

MEMBERS

David Harris, CFA

Wen Lei, CFA

Adam Waldman, CFA

INDUSTRY RELATIONS & CORPORATE GOVERNANCE

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VICE CHAIR

Daisy Xu, CFA

SENIOR ADVISOR

Parham Nasser, CFA

Sadiq Alladina, CFA

MEMBERS

Salman Amin, CFA

Victor Li, CFA

Sara Lorient, CFA

Ritesh Patel, CFA

Rafael Tricta, CFA

Philip Young, CFA

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INSTITUTIONAL ASSET MANAGEMENT

CHAIR

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VICE CHAIR

Mark Bischoff, CFA

SENIOR ADVISOR

Cathy Dimitriadis, CFA

MEMBERS

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David Canale, CFA

Joyce Chen, CFA

Adrien Lucisano, CFA

Moe Nalla, CFA

Brandon New, CFA

Derek Walker, CFA

June Wang, CFA

Herbert Zhang, CFA

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VICE CHAIRS

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Anna Nepravishta, CFA

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Linda Palin, CFA

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Vincent Didkovsky, CFA

Longfei Gao, CFA

Jean-Michel Lamontagne, CFA

Justin McAdam, CFA

Andrea McCarraher-Miljkovic, CFA

Wanting Zhao, CFA

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VICE CHAIR

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Becky Perry, CFA

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Maurice Smith, CFA

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Gurmeet Bajaj, CFA

Vincent Chang, CFA

Erica Gai, CFA

Christopher Hau, CFA

Jenifer Li, CFA

Ling Zhang, CFA

2021-2022 NON-PROGRAMMING COMMITTEES

AWARDS & UNIVERSITY RELATIONS

CHAIR
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VICE CHAIR
Stephanie Poon, CFA

BOARD LIAISON
Brian Madden, CFA

SENIOR ADVISOR
Craig Geoffrey, CFA

MEMBERS
Daniella Auerbach, CFA
Mohsin Bashir, CFA
Dana Boyko, CFA
Tamy Chen, CFA
Jimmy Huang, CFA
Madiha Javed, CFA
Sally Kan, CFA
Daniel Nieto, CFA

Michael Porto, CFA
Sanjiv Sawh, CFA
Kevin Veenstra, CFA
Lynn Wang, CFA
Michael Wang, CFA

EXTERNAL RELATIONS

CHAIR AND BOARD LIAISON
Brian Madden, CFA

VICE CHAIR
Vince Au, CFA

MEMBERS
Yoram Beck, CFA
Scott Connell, CFA
Audrey Gan, CFA
Stephanie Liu, CFA
Answerd Ramcharan, CFA
Eli Silberstein, CFA
Nicholas Smith, CFA
Ming Yeung, CFA

MEMBER COMMUNICATIONS

CHAIR
Kamran Khan, CFA

VICE CHAIR
Jennifer Vieno, CFA

SENIOR ADVISOR
Rossa O'Reilly, CFA

MEMBERS
Salman Amin, CFA
Ankita Bahl, CFA
Dennis Bardetsky, CFA
Alison Crosthwait, CFA
Walter de Wet, CFA
Joshua Giancola, CFA
Robyn Graham, CFA
Christine Ha Kong, CFA
Winfred Lam, CFA
Vipin Pal, CFA
Philip Song, CFA
Ashley Warburton, CFA
Jason Wang, CFA

MENTORSHIP

CHAIR
Andrew Heald, CFA

CO-VICE CHAIRS
Eve Makarova, CFA
Deena Padamadan, CFA

SENIOR ADVISORS
Irina Issakova, CFA
Kar-Wei Lam, CFA

MEMBERS
Vikram Iyer, CFA
Jason Parker, CFA
Tony Rizzi, CFA
Colan Wang, CFA
Cynthia Yu, CFA

2021-2022 PROJECT VOLUNTEERS

Roberto Alvarez	Mitchell Gillingwater	Howard (Ho Ying) Leung	Christina Rulfs
Rajeev Arora	Brian Goldstein	Ariel Liang	Divya Shah
Sarah Aves	Dhanushka Goonathilaka	Jeannine LiChong	Hardik Shah
Sajan Bedi	Adam Gordon	Greg Limburg	Joseph Shaw
Susan Bell	Douglas Grant	George Liu	Barbara Sheehan
Peter Brimm	Randy Gunn	Jing Liu	Kamran Siddiqui
Michael Brown	Victoria Guo	Ruowen Liu	Ankit Singhal
Aimé Bwakira	Faisal Hachicho	Alicia Mair	Paul Spagnolo
Chris Caldwell	Yifeng He	Munir Makani	Chris Spencer
Emily Cao	Marian Hoffmann	Elliott Maltz	Maureen Stapleton
Nikki Chan	Philip Hon	Ninad Mauskar	Mike Still
Sylvia Chang	Wei Hong	Chad McAlpine	Kaveh Tehrani
Diana Cheung	David Hove	Anita McFadden	Colette (Yuk Wai) Tom
Regina Chi	Guangming Hu	James Denis Mcgarragle	Fraser Trottier
Andrew Cox	Grace Huang	Naeem Merchant	Anthony Visano
Simon Dabrowski	Andy Huynh	Derrick Mo	Andrew Wallman
Sebastien Davies	Khalil Ibrahim	Alwarkurichi Nagaraj	Xiaobo Wang
Moiz Divan	Philip Iype	Shazia Naik	Edwin Wong
Adam Edris	Sumaiya Jannat	Florence Narine	Jimmy Xu
Ahmed Elfatatry	Kapil Kalra	Jan Onyszko-Dragan	Otto Yung
John Ewing	Adilya Kanyazova	Viveck Panjabi	Fischer Zhang
Andre Fairclough	Nadeem Kassam	Nicholas Papadakos	Ivan Zhang
Vincent Fu	Mark Keuroghlian	Jason Pereira	Naiyu Zhang
Mayur Dinkar Gaikwad	Leila Kulbayeva	Andrew Pryor	Yilun Zhu
Olga Gappasova	Kam Lun Kwan	Sunny Ren	Huan Zhuang
Neesha Giga			



MANAGEMENT OFFICE

CHIEF EXECUTIVE OFFICER

Sue Lemon, CFA

CHIEF OPERATING OFFICER

Norma Summers

DIRECTOR, OPERATIONS

Valerie Weddell

DIRECTOR, MEMBER SERVICES

Jenny Yeo

CORPORATE RELATIONS MANAGER

Aaron Ly

VOLUNTEER RELATIONS MANAGER

Leslie Venturino

IT MANAGER

Alexandra Pegg

MARKETING & COMMUNICATIONS MANAGER

Esther Filer

MEMBER SERVICES MANAGER

Dawn Wong

MEMBER SERVICES ASSOCIATES

Deborah Kim

Terry McGlynn

SENIOR ADMINISTRATOR

Hannah Mooney

MEMBER & CANDIDATE COORDINATOR

Andrea Olarte

FINANCIAL STATEMENTS

Independent Auditor's Report

For the Year Ended June 30, 2022



BDO Canada LLP
222 Bay Street, Suite 2200, PO Box 131 Toronto ON M5K 1H1, Canada
Tel: 416 865 0200 Fax: 416 865 0887 www.bdo.ca

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

Opinion

We have audited the financial statements of The Toronto Society of Financial Analysts (operating as CFA Society Toronto) (the "Society"), which comprise the statement of financial position as at June 30, 2022, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

FINANCIAL STATEMENTS

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 30, 2022

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Statement of Financial Position

As at June 30

	2022	2021
Assets		
Current		
Cash	\$ 185,080	\$ 218,014
Short-term investments (Note 2)	3,017,264	2,730,838
Accounts receivable	91,878	174,587
Prepaid expenses	85,126	106,890
	3,379,348	3,230,329
Long-term investments (Note 2)	300,000	—
Capital assets (Note 3)	303,958	453,414
Intangible assets (Note 4)	129,941	176,795
	\$ 4,113,247	\$ 3,860,538
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 534,235	\$ 450,322
Unearned revenue (Note 5)	771,493	225,791
	1,305,728	676,113
Deferred capital contributions (Note 6)	134,428	194,574
Deferred lease inducements (Note 7)	236,198	359,435
Government loan (Note 8)	40,000	40,000
	1,716,354	1,270,122
Net assets		
Investment in capital assets (Note 9)	82,867	106,018
Stabilization reserve	940,000	940,000
Opportunities and technology reserve	446,300	371,300
Event cancellation reserve	100,000	100,000
Capital expenditures reserve	587,500	412,500
Unrestricted funds	240,226	660,598
	2,396,893	2,590,416
	\$ 4,113,247	\$ 3,860,538

Approved by the Board:

Director



Director



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

Statement of Operations

For the year ended June 30

	2022	2021
Revenue		
Membership dues	\$ 1,974,836	\$ 1,997,315
CFA Institute discretionary grants	735,620	659,792
Program and sponsorship revenue	294,247	223,303
Membership placement services	216,265	123,400
Interest and miscellaneous income (Note 8 and 12)	119,182	147,470
Facility services	63,214	59,178
Candidate education	20,449	13,854
Other member services	15,433	11,238
	3,439,246	3,235,550
Expenses		
Salaries and related benefits	1,801,351	1,688,265
Member operations expenses	423,687	239,945
Professional services	374,554	224,700
Rent and utilities (Note 7)	302,066	298,736
Amortization of capital and intangible assets	252,548	281,875
Telecommunications and website	201,999	177,844
Program expenses	121,623	35,197
Marketing and development	117,201	101,061
Office and general	27,682	25,599
Meetings, conferences and honoraria	10,058	6,482
	3,632,769	3,079,704
Excess (deficiency) of revenues over expenses for the year	\$ (193,523)	\$ 155,846

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

Statement of Changes in Net Assets

For the year ended June 30, 2022

	Investment in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
Balance, beginning of the year	\$ 106,018	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 660,598	\$ 2,590,416
Deficiency of revenues over expenses (Note 9)	(43,605)	—	—	—	—	(149,918)	(193,523)
Transfer to (from) internally restricted funds	—	—	75,000	—	175,000	(250,000)	—
Investment in capital assets (Note 9)	20,454	—	—	—	—	(20,454)	—
Balance, end of the year	\$ 82,867	\$ 940,000	\$ 446,300	\$ 100,000	\$ 587,500	\$ 240,226	\$ 2,396,893

For the year ended June 30, 2021

	Investment in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
Balance, beginning of the year	\$ 193,612	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 417,158	\$ 2,434,570
Excess (deficiency) of revenues over expenses (Note 9)	(98,784)	—	—	—	—	254,630	155,846
Investment in capital assets (Note 9)	11,190	—	—	—	—	(11,190)	—
Balance, end of the year	\$ 106,018	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 660,598	\$ 2,590,416

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

Statement of Cash Flows

For the year ended June 30

	2022	2021
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ (193,523)	\$ 155,846
Items not affecting cash:		
Amortization of capital and intangible assets	252,548	281,875
Amortization of deferred capital contributions	(95,930)	(70,081)
Amortization of deferred lease inducements	(123,237)	(123,233)
Loan forgiveness of government loan (Note 8)	—	(20,000)
	<u>(160,142)</u>	<u>224,407</u>
Changes in non-cash working capital:		
Accounts receivable	82,709	(94,326)
Prepaid expenses	21,764	10,469
Accounts payable and accrued liabilities	83,913	(2,700)
Unearned revenue	545,702	(123,909)
	<u>573,946</u>	<u>13,941</u>
Cash flows from investing activities		
Purchase of investments	(2,535,631)	(2,859,082)
Proceeds from sale of investments	1,949,205	2,822,719
Purchase of capital assets	(13,312)	(7,506)
Purchase of intangible assets	(42,926)	(101,124)
	<u>(642,664)</u>	<u>(144,993)</u>
Cash flows from financing activities		
Additions of deferred capital contributions	35,784	97,440
Proceeds from government loan (Note 8)	—	60,000
	<u>35,784</u>	<u>157,440</u>
Net (decrease) increase in cash	(32,934)	26,388
Cash , beginning of the year	218,014	191,626
Cash , end of year	<u>\$ 185,080</u>	<u>\$ 218,014</u>

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

Notes to Financial Statements

June 30, 2022

1. Significant Accounting Policies

Nature and Purpose of Organization

The Society (operating as CFA Society Toronto) (the "Society") 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:

- 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;
- to formulate and promote high standards of ethics in financial analysis;
- to educate and inform financial analysts as to techniques, standards and developments with regard to financial analysis, securities and secure markets in order that they might have serve the public more competently;
- 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
- to publicize information regarding financial and security analysis in order to promote public understanding of its role and usefulness.

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("AS-NPO"), 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 policies.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

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

Program, sponsorship and facility services revenues are collected by the Society and are recognized as revenue on the date the event occurs, or if applicable, over the term of the agreement.

CFA Institute discretionary grants are recognized as revenue when revenue is received or receivable.

Member operations, membership placement services, candidate education revenues and other members services are recognized as revenue as the related services are provided.

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

Net Assets

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

- Investment in capital assets represents the Society's net investment in capital assets purchased with Society funds, less accumulated amortization thereon since acquisition;
- Stabilization reserve represents an internally restricted fund to ensure the continuity of the Society by providing a liquidity reserve;
- 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;
- 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;
- 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; and
- Unrestricted comprises the remaining excess of revenues over expenditures from operations that are available for general use.

Notes to Financial Statements (continued)

June 30, 2022

1. Significant Accounting Policies (continued)**Financial Instruments**

The Society initially measures its financial assets and financial liabilities at fair value and subsequently measures them at amortized cost. Financial assets include cash, investments and accounts receivable. Financial liabilities include accounts payable and accrued liabilities.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the statement of operations.

Capital Assets

Purchased assets meeting the criteria for recognition of capital assets are capitalized at the date possession of the asset occurs. Included in the capitalized amounts are costs directly attributable to preparing the asset for its intended use.

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Computer equipment	Straight-line	3 years
Furniture and fixtures	Straight-line	5 years
Leasehold improvements	Straight-line	Life of the lease

Capital assets are amortized once put into use.

When changes in circumstances give rise to indications of an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition, management will test for impairment. An impairment loss is recorded if the fair value of the asset exceeds its carrying value. Impairment losses are recognized in the period realized.

Intangible Assets

Intangible assets consist of computer software and website design which are amortized over three years on a straight-line basis.

Deferred Capital Contributions

Deferred capital contributions consist of capital purchases funded by the CFA Institute and are amortized on a straight-line basis over the estimated useful life of the asset for furniture and fixtures, computer equipment, website design and computer software purchases. The leasehold improvements are amortized on a straight-line basis over the term of the lease and are netted against rent and utilities on the statement of operations.

Deferred Lease Inducement

Deferred lease inducements consist of leasehold improvement reimbursements and rent allowances from the landlord, and are amortized on a straight-line basis over the term of the lease and are netted against rent and utilities on the statement of operations.

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.

Contributed Services

Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Government Assistance

The Society makes periodic applications for financial assistance under the government incentive programs. Government subsidies received during the year are accounted as revenue in the year they relate.

2. Investments

	2022	2021
High interest savings accounts	\$ 1,361,584	\$ 809,700
Guaranteed investments certificates	1,655,680	1,921,138
Total short-term investments	\$ 3,017,264	\$ 2,730,838
Guaranteed investments certificates	\$ 300,000	\$ —
Total long-term investments	\$ 300,000	\$ —

Short-term investments are comprised of guaranteed investments certificates with interest rates from 0.45% to 3.65% (2021 - 0.55% to 2.27%) and maturity dates from November 18, 2022 to June 23, 2023 (2021 - October 21, 2021 to April 7, 2022).

Long-term investments are comprised of guaranteed investments certificates with interest rates of 4.15% to 4.25% and maturity dates of June 24, 2024.

Notes to Financial Statements (continued)

June 30, 2022

3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 368,380	\$ 349,451	\$ 355,067	\$ 338,512
Furniture and fixtures	285,105	283,323	285,105	275,868
Leasehold improvements	1,032,768	749,521	1,032,768	605,146
	<u>1,686,253</u>	<u>1,382,295</u>	<u>1,672,940</u>	<u>1,219,526</u>
		<u>\$ 303,958</u>		<u>\$ 453,414</u>

4. Intangible Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	\$ 316,476	\$ 290,255	\$ 316,476	\$ 259,430
Website design	332,714	228,994	289,788	170,039
	<u>649,190</u>	<u>519,249</u>	<u>606,264</u>	<u>429,469</u>
		<u>\$ 129,941</u>		<u>\$ 176,795</u>

5. Unearned Revenue

Unearned revenue consists of the following:

	2022	2021
Membership fees	\$ 573,688	\$ —
CFA Institute funding	119,997	179,682
Sponsorships and other	77,808	46,109
Balance - end of year	<u>\$ 771,493</u>	<u>\$ 225,791</u>

The changes in the unearned revenue balance reported for the year are as follows:

	2022	2021
Balance - beginning of year	\$ 225,791	\$ 349,700
Additions during the year	3,083,899	2,637,132
Recognized in revenue	(2,538,197)	(2,761,041)
Balance - end of year	<u>\$ 771,493</u>	<u>\$ 225,791</u>

6. Deferred Capital Contributions

Deferred capital contributions represents the unamortized amount of contributions received for the purchase of capital assets.

The changes in the deferred capital contributions balance reported for the year are as follows:

	2022	2021
Balance - beginning of year	\$ 194,574	\$ 167,215
Additions during the year	35,784	97,440
Recognized in revenue	(95,930)	(70,081)
Balance - end of year	<u>\$ 134,428</u>	<u>\$ 194,574</u>

7. Deferred Lease Inducements

In fiscal 2017, at the landlord's request, the Society relocated its premises. The original lease agreement was due to expire on December 31, 2018. On February 6, 2017, the Society entered into a new agreement, which extended its office space lease for an additional 65 months to May 21, 2024. The office relocation required the Society to incur moving costs and invest in leasehold improvements. However, the Society received leasehold improvement reimbursements and rent allowances to offset the outlays. The deferred lease inducements are being amortized on a straight-line basis over the term of the lease.

The changes in the deferred lease inducements are as follows:

	Leasehold improvements	Rent Allowance	2022 Total	2021 Total
Balance - beginning of year	\$ 329,617	\$ 29,818	\$ 359,435	\$ 482,668
Less lease inducements recognized in the year	(113,013)	(10,224)	(123,237)	(123,233)
Balance - end of year	<u>\$ 216,604</u>	<u>\$ 19,594</u>	<u>\$ 236,198</u>	<u>\$ 359,435</u>

8. Government Loan

In 2021, the Society received the \$60,000 Canada Emergency Business Account ("CEBA") loan to finance qualifying non-deferrable expenses during COVID-19. The loan is non-interest bearing with no scheduled payments until December 31, 2023. If \$40,000 of the loan has been repaid by that date, the remaining \$20,000 will be forgiven. If the \$40,000 in loan payments have not been made by December 31, 2023, the full loan balance will be converted to a 5% interest bearing loan to be repaid in monthly installments over a three year period ending December 31, 2026. The \$40,000 is expected to be repaid in full by December 31, 2023, therefore during 2021, the \$20,000 forgivable portion has been recorded as interest and miscellaneous income in the statement of operations. The remaining \$40,000 has been recorded at its fair value at the date the loan was received.

Notes to Financial Statements (continued)

June 30, 2022

9. Investment in capital assets

Net assets invested in capital assets are calculated as follows:

	2022	2021
Capital assets (Note 3)	\$ 303,958	\$ 453,414
Intangible assets (Note 4)	129,941	176,795
Deferred lease inducement relating to leasehold improvements (Note 7)	(216,604)	(329,617)
Deferred capital contribution (Note 6)	(134,428)	(194,574)
	<u>\$ 82,867</u>	<u>\$ 106,018</u>

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

	2022	2021
Excess of expenditures over revenues		
Amortization of capital and intangible assets	\$ (252,548)	\$ (281,875)
Amortization of deferred lease inducements (Note 7)	113,013	113,010
Amortization of deferred capital contributions (Note 6)	95,930	70,081
	<u>\$ (43,605)</u>	<u>\$ (98,784)</u>
Investment in capital assets		
Capital and intangible assets acquired	\$ 56,238	\$ 108,630
Additions to deferred capital contributions (Note 6)	(35,784)	(97,440)
	<u>\$ 20,454</u>	<u>\$ 11,190</u>

10. Commitments

The Society is committed to lease office premises and equipment lease under separate lease agreement ending May 31, 2024 and May 11, 2024 respectively. Future minimum lease payments, including estimated operating costs and realty taxes are approximately as follows:

2023	\$ 439,000
2024	403,000
	<u>\$ 842,000</u>

11. Financial Instruments and Risk Management

The Society is exposed to financial risks through transactions in financial instruments.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's exposure to credit risk associated with 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. 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 currency risk, liquidity risk and market risk.

12. COVID-19 Impact

On March 11, 2020, the World Health Organization ("WHO") declared the COVID-19 outbreak as a global pandemic, based on the rapid increase in exposure globally.

The Society has continued operating virtually and continues to receive funding from membership dues, grants, and program and sponsorships.

The Society applied for the Canada Emergency Wage Subsidy ("CEWS") and Canada's 10% Temporary Wage Subsidy for Employers ("TWS") from the Government of Canada. The total amount of CEWS and TWS applied for and recorded as interest and miscellaneous income in the statement of operations in the statement of operation was \$Nil (2021 - \$20,873). The Society has also received the CEBA loan as disclosed in Note 8.

There could be further impacts on the Society from COVID-19 that could affect the timing and amounts recognized in the Society's financial results. The full potential impact of the ongoing pandemic on the Society is not known at this time.

2022 ANNUAL
REPORT



**CFA Society
Toronto**

LET'S MEASURE UP™