



2021 ANNUAL REPORT



**CFA Society
Toronto**

LET'S MEASURE UP™

SETTING A HIGHER STANDARD FOR THE
TORONTO INVESTMENT COMMUNITY

TABLE OF CONTENTS

FROM THE DESK OF THE CEO	1
WHO WE ARE	
Our Vision Our Mission, Social Responsibility, Our Membership	2
DEMOGRAPHICS	3
MEMBER SERVICES.....	4
EVENTS & PROFESSIONAL LEARNING CREDITS	5
SPONSORSHIP & CORPORATE RELATIONS.....	7
AWARDS & UNIVERSITY RELATIONS	9
MEET THE TEAM.....	12
2020-2021 Board Members.....	13
2020-2021 Standing Committees.....	13
2020-2021 Programming Committees.....	14
2020-2021 Non-Programming Committees.....	15
Management Office	16
FINANCIAL REPORTS.....	17
Independent Auditor's Report	18
Statement of Financial Position.....	19
Statement of Operations	20
Statement of Changes in Net Assets	21
Statement of Cash Flows	22
Notes to Financial Statements	23



FROM THE DESK OF THE CEO

The completion of our 2020-2021 fiscal year at CFA Society Toronto is another milestone where we can mark a full year of Society life during the COVID-19 pandemic. With a focus on teamwork and the safety for our members, volunteers, stakeholders, and staff, we have worked together to innovate and have strived to provide meaningful services and connections in serving the needs of our membership in a very competitive industry.

Three-Year Strategic Plan

This year marked the end of our 2019-2021 strategic objectives and the creation of our new 2021-2024 Strategic Plan. Our three-year cyclical process allows us to reflect on our past successes and strive towards the delivery of our future focused, relevant, and unique member services and benefits. Key areas of note achieved in our recent Strategic Plan include; the digitization of some of our member services with an on-line mentorship platform, a fully digital quarterly publication and improvements in member technology for registrations and proxy voting. We also created an Advisory Council of senior financial services experts and offered many programs on sustainable finance throughout the three-year period.

Our new 2021-2024 Strategic Plan is robust, building upon our past successes. We are working toward targeting stakeholder needs and expectations through innovative services and fostering the growth of meaningful connections. We will continue to earn our place at the table as a global Society leader through the advancement of the CFA designation and make contributions towards higher standards and pride in our profession.

Society Achievements

We are pleased to announce that CFA Society Toronto holds one of the highest Society growth and retention rates in over 160 global CFA Societies worldwide. With nearly 11,00 members, this is truly something to be proud of!

Membership at the Society would not have the same value if it were not for the caliber of our volunteers working to exceed member expectations. Their dedication and expertise, amidst a global pandemic, is representative of the gold standard charterholders will always be known for.

Sue Lemon, CFA
CEO, CFA Society Toronto

WHO WE ARE

Founded in 1936, CFA Society Toronto (formerly known as Toronto CFA Society and the Toronto Society of Financial Analysts, Inc.) 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

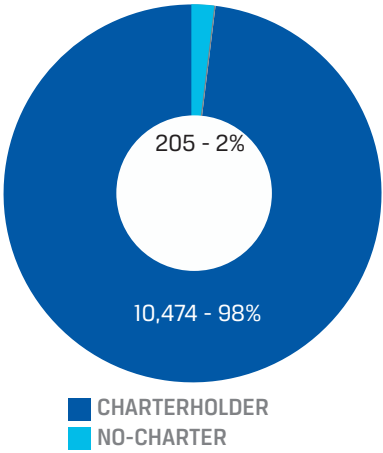
SOCIAL RESPONSIBILITY

Our dedication to building a stronger investment profession that better benefits society at large starts with the support of our members and the commitment of our volunteers.

OUR MEMBERSHIP

With nearly 11,000 active members, CFA Society Toronto is Canada's largest charterholder society and in the top two member societies in 162 global financial markets. 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.

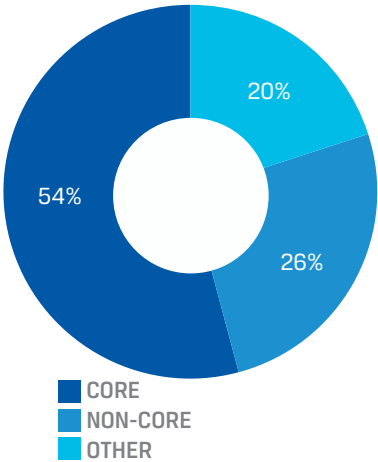
MEMBERSHIP BASE



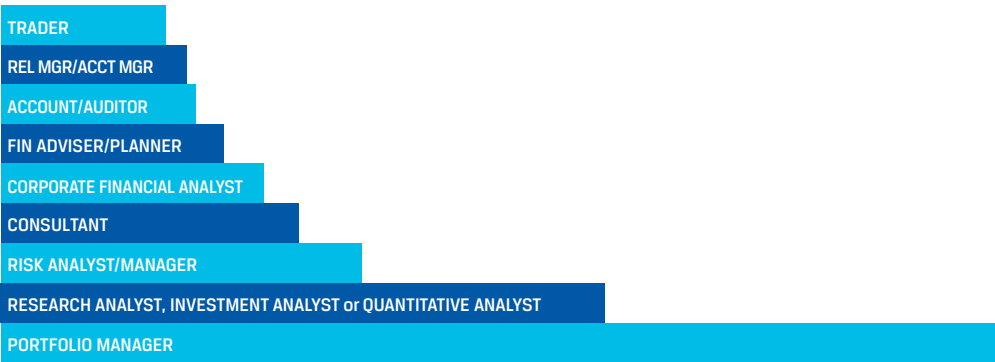
ACTIVE SOCIETY MEMBERS



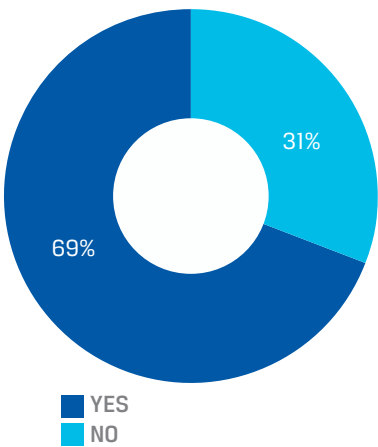
OCCUPATION TYPE



MEMBER OCCUPATIONS



EMPLOYER SUPPORT



PRIMARY INVESTMENT FOCUS



Data as of 30 June 2021

MEMBER SERVICES

CFA Society Toronto's Member Services provides opportunities for members to expand their networks and build their personal brand as leaders in the investment community. This is achieved through professional and career development opportunities, mentorship programs, contributions in industry publications, community outreach, and transition opportunities for newcomers. CFA Society Toronto's Member Services provides our community with timely and relevant professional and career enhancement opportunities, which include:

MENTORSHIP PROGRAM

The Mentorship Program has successfully matched over 600 Mentors and Protégés since 2007. The program aims to pass on the knowledge and experiences of established charterholding practitioners onto the future generation of investment professionals. The program provides opportunities to develop stronger leadership skills through exclusive events like speed mentoring and the 'Day in the Life of' Speaker Series, and networking opportunities with fellow program participants through Protégé mixers. This year's Mentorship Program events covered themes such as 'Diversity and Inclusion' with guest speaker Deanna Matzanke from the Canadian Centre for Diversity and Inclusion and 'Newcomers to Canada' featuring CFA charterholding members of the Society.

In June 2021, our Mentorship committee successfully completed the launch of its pilot program for the **Knowledge Network Directory** and a full launch of this new mentorship resource is being planned for Fiscal Year 2022. The committee also created the 'Ask Us Anything' video series, where our committee volunteers address inquiries from our membership. Both resources were created to provide enhanced timely support to our members.

MEMBER COMMUNICATIONS –THE ANALYST

CFA Society Toronto's quarterly publication, *The Analyst*, provides our community with access to timely and relevant investment content written in the unique perspectives of local CFA charterholders. Our online platform continues to expand with its growth in subscriptions and promotion of important industry subjects such as ESG, FinTech, Diversity and Inclusion. The print publication is produced twice a year and is distributed to our members in June and December.

MEMBER DISCOUNTS

CFA Society Toronto members enjoy exclusive discounts and special offers through our Member Discounts. Partners include the Adelaide Club Toronto, ALF Group Services Inc., Ontario Science Centre, Ripley's Aquarium, Perkopolis, Wealthsimple, Modelyze, Tempo Framing Systems, and more. Stay up to date and find out more at www.cfatoronto.ca/membership/discounts.

CAREER CENTRE

CFA Society Toronto offers job seekers access to online career resources which include our popular Job Posting Board where members can find great opportunities from some of the industry's top employers. New jobs are posted and promoted regularly and are available exclusively to Society members.

For organizations looking to promote a career opportunity online, our website's job posting service is an excellent way to reach nearly 11,000 qualified finance professionals for a fee that is far more cost-effective and targeted than competitive online services. Looking to hire the right candidate, with the right experience and education? Contact us at 416-366-5755 ext. 221 or jobs@cfatoronto.ca.

EVENTS & PROFESSIONAL LEARNING CREDITS

We offer the investment community robust continuing education opportunities, with a focus on meeting the varied professional and career development needs of a continuously evolving investment industry. We provide Professional Learning Credits in alternative investments, asset management, corporate finance, cryptocurrency, ESG, equity, fintech, portfolio management, private wealth, and risk management. We also provide the investment community with unique perspectives on emerging topics and soft skills training. Furthermore, we recognize the different learning styles and time commitments our industry faces and to better accommodate our diverse professional development environment, our programs and events come in a variety of formats. These include:

- Topical seminars
- Workshops
- Annual conferences
- Courses
- Webinars/webcasts

EVENT AND PROGRAMMING HIGHLIGHTS

IN CONVERSATION WITH LARRY FINK

06 October 2020

On 06 October, CFA Society Toronto invited Larry Fink to share his unique perspectives with Lynn Patterson on his experiences and lessons learned during the pandemic, along with the importance of stakeholder capitalism, global investing opportunities and the non-linear impact that the pandemic will have on various parts of society. Larry also shared his views on Canada as well as current and future trends impacting the financial services industry. This was the Society's highest attended event of fiscal year 2021, with over 580 participants from across Canada, USA, Latin America, and Europe.

CFA SOCIETY TORONTO ESG BOOTCAMP

Fall Session: 20, 28 October 2020 and 05 November 2020

Spring Session: 13, 22, 29 April 2021

In the fall of 2020 and spring of 2021, CFA Society Toronto hosted two uniquely designed ESG bootcamps for portfolio managers and analysts interested in exploring ESG integration. The three, three-hour interactive virtual sessions provided the fundamentals to understanding ESG. The sessions were facilitated by ESG Global Advisors, with each session featuring guest speakers who are leading practitioners and spearheading their own firms' approach to ESG integration and climate change related issues.

CFA SOCIETY TORONTO CLIMATE CHANGE SERIES: FROM IDEA TO ACTION

02, 04 AND 09 FEBRUARY 2021

CFA Society Toronto introduced a series of three discussions about climate change for investment and finance professionals, specifically for those who are keen to learn how to address the risks and benefits from emerging opportunities. Experts walked participants through the journey of integrating climate change considerations into their analysis, how to measure the risks, and how to think about proactively investing in green initiatives. These discussions aim to help organizations progress from a state of wanting to support the idea of climate change initiatives to one of having the ability to take tangible actions within their organizations. This three-day series reached an online audience of over 270 participants.

ETHICAL DECISION-MAKING WORKSHOP

16 FEBRUARY 2021

This interactive webcast examined a real-life dilemma that investment professionals may face in their careers which may not have a clear right or wrong response. Participants considered potential courses of action to address the issues involved and voted on responses which they believed were best. This session sparked lively discussions and revealed unique perspectives. Participants also learned about the CFA Institute Ethical Decision-Making Framework and how they can use it to analyze a situation or dilemma.

THE ROLE OF THE BANK OF CANADA IN RESPONDING TO MARKET-WIDE STRESS

23 MARCH 2021

On 23 March, CFA Society Toronto welcomed Deputy Governor of the Bank of Canada, Toni Gravelle, to discuss measures taken by the Bank of Canada in response to market-wide stress during the COVID-19 pandemic, and the Bank's unique role in the financial system as lender of last resort. The event was broadcasted to the public, and CFA Society Toronto registrants had an exclusive interactive opportunity to ask questions.

DEATH OF FUNDAMENTAL ANALYSIS

08 APRIL 2021

CFA Society Toronto's Corporate Finance Committee hosted an event aimed to provide a forum for discussing the reasons behind why market valuations seemingly decoupled from traditional DCF metrics. This event was particularly topical given the market frenzy surrounding GME/AMC/BBBY, Wall Street Bets vs. Robinhood, inflationary concerns/taper tantrums, and the significant price runs of SPACs and recent tech IPO stocks.

2021 ANNUAL SPRING PENSION CONFERENCE - BUILDING BACK BETTER: OPPORTUNITIES AND RISKS POST COVID (Four-part Pension Conference Series)

14 AND 15 APRIL 2021

Attended by over 428 people, CFA Society Toronto's 2021 Annual Spring Pension Conference provided attendees with the latest updates from thought leaders in the Canadian pension industry. These experts addressed the current environment, best practices, and tools to provide participants with the insight and background for the management of today's investment portfolios.

CRYPTO SERIES: BITCOIN. ARE YOU READY?

26 APRIL 2021

On 26 April, CFA Society Toronto introduced its inaugural session of the Crypto Series. Joining us for the event were guest speaker Som Seif, CFA, Founder and CEO of Purpose Investment Inc., and Richard Talbot, CFA, former COO and Co-head of Global Research at RBC Capital Markets. Over 260 participants enjoyed a candid and engaging fireside chat around the risks and opportunities of investing in Bitcoin.

CHART YOUR COURSE: EXPLORE CAREERS ON BAY STREET NETWORKING EVENT

28 APRIL 2021

On 28 April, the Professional Development Committee hosted an intimate virtual networking event for CFA Society Toronto members to connect with industry professionals in investment banking, equity, research, private equity, commercial banking, asset management, banking strategy and risk management. Our special guests shared their experiences and discussed how to break into and excel in their respective areas.

VIRTUAL CAREER FAIR

28 JUNE 2021

CFA Society Toronto's Virtual Career Fair was one of the three new series launched in fiscal year 2021. The inaugural session for this series was hosted on 28 June with career host, CIBC Capital Markets. They offered Society members an exclusive opportunity to learn about and engage with the firm as they shared their recruitment strategy and insights into their corporate culture.

SPONSORSHIP & CORPORATE RELATIONS

OVERVIEW

CFA Society Toronto's sponsorship programs offer an excellent opportunity to enhance an organization's brand visibility amongst an extensive cross-section of investment professionals. Revenue provided by Society sponsors helps support our valuable mission by offsetting program costs, allowing us to continue our work in the ongoing development and implementation of Society member programs and the continuing education of Toronto CFA charterholders. Society sponsorship categories can include corporate, facility, and event. Each of these sponsorship opportunities range in scope from single to multi-year engagement types and offer activations across some or many Society communication channels. CFA Society Toronto recognizes the invaluable role played by all our sponsors, and we acknowledge each of them for their ongoing patronage.

CORPORATE SPONSORS

Society Corporate sponsors enjoy full brand presence through the breadth of the Society's channels and platforms. Our valued Gold corporate partners include:

- GOLD: Horizons ETFs
- GOLD: S&P Dow Jones Indices

EVENT SPONSORS

CFA Society Toronto annual events can range in size from 100 to over 600 attendees. Hard costs associated with these events are offset by sponsor support of technology, vendor, and other resources that are necessary to produce high-quality events and/or other event sponsorship opportunities. Whether looking to target a specific job function or asset class cohort, event sponsorship can help organizations by supplying the right Society-driven initiative to reach the right Society members. Annual Society event highlights include:

- Annual Investment Dinner
- CFA Charter Recognition Event
- Annual Spring Pension Conference
- Annual Wealth Conference, and
- New Member Reception
- ESG Bootcamp
- Crypto Series
- Annual Equity Symposium

FACILITY SPONSORS

Our Facility sponsors enjoy benefits that feature naming rights and strong visible brand positioning for the modern meeting spaces within our downtown Toronto office.

CFA Society Toronto's office is capable of hosting meetings of many different sizes and formats. Our facilities include state of the art A/V and other available technologies.

Our Facility sponsors are:

- National Bank Independent Network
- Scotia Global Asset Management
- Vanguard Investments

AFFILIATIONS

Cross-promotional activities with like-minded financial industry organizations are an important part of expanding and amplifying the Society's network. Our affiliations currently include:

- Capitalize for Kids
- CETFA — Canadian ETF Association
- CICBV — The Canadian Institute of Chartered Business Valuators
- CIPPB — Canada Pension Plan Investment Board
- CIRI — Canadian Investor Relations Institute
- CPA Canada — Chartered Professional Accountants Canada
- CPAB — Canadian Public Accountability Board
- CSAE — Canadian Society of Association Executives
- CVCA — Canadian Venture Capital & Private Capital Association
- FPSC — Financial Planners Standards Council
- IASB — International Accounting Standards Board
- ICD — Institute of Corporate Directors
- PMAC — Portfolio Management Association of Canada
- Rotman School of Management at University of Toronto
- SOA — Society of Actuaries
- Smith School of Business at Queen's University
- TFI — Toronto Finance International
- WCM — Women in Capital Markets
- WETM — Women in ETFs

ABOUT HORIZONS ETFS MANAGEMENT (CANADA) INC.

GOLD CORPORATE SPONSOR



HORIZONS ETFS
by Mirae Asset

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 \$19 billion of assets under management and 98 ETFs listed on major Canadian stock exchanges. See www.horizonsefts.com.

ABOUT S&P DOW JONES INDICES

GOLD CORPORATE SPONSOR

S&P Dow Jones Indices

A Division of **S&P Global**

S&P Dow Jones Indices S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®.

More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit www.spdji.com.

ABOUT NATIONAL BANK INDEPENDENT NETWORK

FACILITY SPONSOR

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.



**NATIONAL
BANK**

INDEPENDENT NETWORK

ABOUT SCOTIA GLOBAL ASSET MANAGEMENT

FACILITY SPONSOR

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.

Scotia

Global Asset Management™

ABOUT VANGUARD INVESTMENTS CANADA

FACILITY SPONSOR

Canadians own CAD \$62 billion in Vanguard assets, including

Canadian and U.S.-domiciled ETFs and Canadian mutual funds. Vanguard Investments Canada Inc. manages CAD \$43 billion in assets (as of July 31, 2021) with 37 Canadian ETFs and six mutual funds currently available. The Vanguard Group, Inc. is one of the world's largest investment management companies and a leading provider of company-sponsored retirement plan services. Vanguard manages USD \$8.1 trillion (CAD \$10.1 trillion) in global assets, including over USD \$2 trillion (CAD \$2.5 trillion) in global ETF assets (as of July 31, 2021). Vanguard has offices in the United States, Canada, Mexico, Europe, Australia and Asia. The firm offers 418 funds, including ETFs, to its more than 30 million investors worldwide.

Vanguard operates under a unique operating structure. Unlike firms that are publicly held or owned by a small group of individuals, The Vanguard Group, Inc. is owned by Vanguard's U.S.-domiciled funds and ETFs. Those funds, in turn, are owned by Vanguard clients. This unique mutual structure aligns Vanguard interests with those of its investors and drives the culture, philosophy, and policies throughout the Vanguard organization worldwide. As a result, Canadian investors benefit from Vanguard's stability and experience, low-cost investing, and client focus. For more information, please visit www.vanguardcanada.ca.

Vanguard®

AWARDS & UNIVERSITY RELATIONS

CFA SOCIETY TORONTO ETHICS CHALLENGE

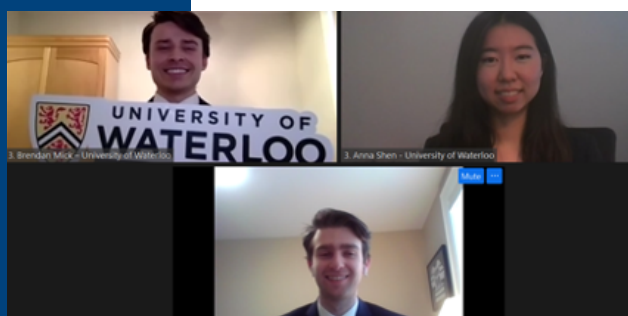
The Ethics Challenge is a Canada-wide competition between student teams from undergraduate and graduate finance or economics programs. Each team analyzes a case study created by CFA Institute that is released in January. Four weeks later, teams present their findings at a local-level competition, highlighting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



On 11 February 2021, the University of Waterloo, School of Accounting & Finance was awarded the winning title of the 2021 CFA Society Toronto Local Ethics Challenge. This year's local champions from University of Waterloo include Shubhankar Bhatt, Dhanusha Sathiyaseelan, Parshv Shah, Zhuoran (Johanna) Wu and mentored by their Faculty Advisor Krista Fiolleau Phd, CPA, CA.

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.



"We were given a glimpse of the future leaders of our industry. Each participant exemplified CFA Institute's ethos of education, excellence, and ethics through the meticulousness and quality of their research. The judges were impressed by the poise and grace of each team's presentation. Our warmest congratulations to the University of Waterloo. Our sincere thanks to the staff and volunteers of CFA Society Toronto and CFA Society Ottawa, faculty advisors, industry

mentors, and our subject company, Empire Company Limited, for making this year's competition a success." said Sunny Guo, CFA, judge and Vice Chair of CFA Society Toronto's Awards & University Relations Committee.

University of Waterloo took first place at the local competition and made it through the CFA Institute Sub-regionals, Regionals, and finally won the Americas competition advancing to the Global Finals on 22 April 2021.

UNDERGRADUATE FINANCE & ECONOMICS SCHOLARSHIP AWARDS

This scholarship award recognizes third and fourth year undergraduate finance or economic students in Ontario who have demonstrated excellence in academics and extracurricular activities. Finance and economics 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 investment practitioners and CFA Society Toronto volunteers. This year's scholarship winners are:

3RD YEAR AWARD RECIPIENTS:

FIRST PLACE

Anuja Weerasinghe, Western University

SECOND PLACE

Muhammad Wadee Shahid, University of Toronto

THIRD PLACE

Jennie Lin, University of Waterloo

4TH YEAR AWARD RECIPIENTS:

FIRST PLACE

Bronwyn Ferris, Queen's University

SECOND PLACE

Kelly Yang, University of Toronto

THIRD PLACE

Jennifer Zhao, Queen's 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 were:

BROCK UNIVERSITY

Kevin Diep
Undergraduate

Hashim Sarwar
Undergraduate

GEORGE BROWN COLLEGE

Daniel Nguyen
Undergraduate

WILFRID LAURIER UNIVERSITY

Sulay Shah
Undergraduate

Louay Chauki
Undergraduate

MCMASTER UNIVERSITY

Samuel Wiseman-Barker
Undergraduate

QUEEN'S UNIVERSITY

Allie Brown
Undergraduate

Scott Song
Undergraduate

Alpa Atha
Graduate

RYERSON UNIVERSITY

Nataliia Utikalova
Undergraduate

Aamir Anwar
Undergraduate

ONTARIO TECH UNIVERSITY

Hasti Fifadra
Undergraduate

Kurt Reyes
Undergraduate

UNIVERSITY OF TORONTO MISSISSAUGA

Erfa Mahmood
Undergraduate

Anny Zhao
Undergraduate

Ana Pavlovic
Undergraduate

Sherry Mo
Graduate

Mengdi Ma
Graduate

Simi Olaiya
Graduate

Brandon Zhao
Graduate

UNIVERSITY OF TORONTO ROTMAN

Zhendao Tsai
Undergraduate

Inny Zhang
Undergraduate

Jiani Wu, CFA
Graduate

UNIVERSITY OF TORONTO SCARBOROUGH

Vanshika Agarwal
Undergraduate

WATERLOO UNIVERSITY

Julia Tu
Undergraduate

Nameera Meghjani
Undergraduate

Ryan Trainor
Undergraduate

YORK UNIVERSITY

Monica Xie
Undergraduate

Sammi Xu
Undergraduate



VETERANS' SCHOLARSHIP PROGRAM

Supporting Canadian Veterans Transition into the Field of Finance

We were pleased to launch the pilot for our Veteran's Scholarship Program this fiscal year. The program was created to recognise 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 was pleased to award the scholarship to five retired and actively serving CAF members.

The program aims to support the transition of CAF personnel into a civilian career in the field of finance by awarding:

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

2020 HILLSDALE INVESTMENT MANAGEMENT – CFA SOCIETY TORONTO INVESTMENT RESEARCH AWARD

Congratulations to the winners of the 2020 Hillsdale Investment Management – CFA Society Toronto Investment Research Award. This year's award-winning research paper is Complex Instrument Allowance at Mutual Funds by Paul Calluzzo and Selim Topaloglu from Queen's University Smith School of Business and Fabio Moneta from University of Ottawa, Telfer School of Management.

CONGRATULATIONS

2020 HILLSDALE INVESTMENT MANAGEMENT – CFA SOCIETY TORONTO RESEARCH AWARD

WINNERS

WINNING PAPER:

"Complex Instrument Allowance at Mutual Funds"



Paul Calluzzo,
Smith School
of Business,
Queen's University



Selim Topaloglu,
Smith School
of Business,
Queen's University



Fabio Moneta,
Telfer School
of Management,
University of Ottawa



MEET THE TEAM

The strength of our success is made possible through the commitment of our diversely talented committee of volunteers. Supported by management staff, the Society is operated by an active board of directors, which 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 audits, governance and nominations, and membership
- Operating committees that support member communications, university relations, external relations, finance, and awards.

THANK YOU TO OUR 2020-2021 VOLUNTEERS

We would like to acknowledge the tremendous work, achievements, and leadership of our incredible volunteers during this year, especially with COVID-19 challenges. Your commitment and dedication during these unprecedented times saw a record number of events and increased participation, enabled CFA Society Toronto to continue to grow a strong membership base, offer exceptional communication publications, enhance the mentorship program, and impact students and members alike through awards and external relations, governance and operations, projects, and initiatives.

2020/2021 BOARD MEMBERS



CHAIR
Robert Cultraro, CFA



VICE CHAIR
Brenda King-Hrycaj, CFA



BOARD MEMBER-AT-LARGE
Andrew Auerbach, CFA



SECRETARY-TREASURER
Bobby Thompson, CFA



CHAIR, OUTREACH
Brian Madden, CFA



BOARD MEMBER-AT-LARGE
Grace Cleary-Yu, CFA



VICE CHAIR, PROGRAMMING
Kathrin Forrest, CFA



BOARD MEMBER-AT-LARGE
Mari Jensen, CFA



CHAIR, PROGRAMMING
Paul Hamilton, CFA



BOARD MEMBER-AT-LARGE
Sue Lemon, CFA

2020-2021 STANDING COMMITTEES

FINANCE & AUDIT COMMITTEE

CHAIR

Bobby Thompson, CFA

MEMBERS

Allison Murray
Anthony Scolaro, CFA
Jennifer Lee, CFA
Kathrin Forrest, CFA
Mari Jensen, CFA
Michael Kehoe, CFA
Muhammad Naeem Karodia, CFA
Norma Summers
Rui Wang, CFA
Sue Lemon, CFA

GOVERNANCE & NOMINATION COMMITTEE

MEMBERS

Anish Chopra, CFA
Christopher Sheridan, CFA
Frederick Pinto, CFA
Ronald Schwarz, CFA
Norma Summers
Sue Lemon, CFA

MEMBERSHIP

CHAIR

Answerd Ramcharan, CFA

VICE CHAIR

Andrew Morgan, CFA

MEMBERS

Andrew Ma, CFA
Mary Anne Palangio, CFA
Mike S. Chung, CFA
Sophie (Lianying) Ren, CFA
Wei Hong, CFA

2020-2021 PROGRAMMING COMMITTEES

CORPORATE FINANCE

CHAIR

Kris Somers, CFA

VICE CHAIR

Suneil Ramesh, CFA

SENIOR ADVISOR

Kevin Dickinson, CFA

MEMBERS

AAdam Waldman, CFA

Alana Awad, CFA

Angela (Wei Jaun) Ma, CFA

Cherry (Jing Ru) Li, CFA

David Harris, CFA

Erika Huan Wan Chau, CFA

Mark Laing, CFA

Stanley Yeung, CFA

Viktor Russu, CFA

INDUSTRY RELATIONS & CORPORATE GOVERNANCE

CHAIR

Sadiq Alladina, CFA

VICE CHAIR

Colette Tom, CFA

SENIOR ADVISOR

Parham Nasser, CFA

MEMBERS

Daisy (Yan) Xu, CFA

Omar Khafagy, CFA

Philip Young, CFA

Qoomail Dewji, CFA

Ritesh Patel, CFA

Salman Amin, CFA

Yvonne Davidson, CFA

INSTITUTIONAL ASSET MANAGEMENT

CHAIR

Aaron Vale, CFA

VICE CHAIRS

Cathy Dimitriadis, CFA

Yelena Stepanyan, CFA

SENIOR ADVISOR

Heather Cooke, CFA

MEMBERS

Adrien Lucisano, CFA

Brandon New, CFA

Derek Walker, CFA

Herbert (Hongbo) Zhang, CFA

Joyce (Jiayi) Chen, CFA

Mark Bischoff, CFA

Robert Lennox, CFA

Scott Henshaw, CFA

Trang Lam, CFA

PRIVATE WEALTH MANAGEMENT

CHAIR

Robert Pampe, CFA

VICE CHAIRS

Anna Nepravishta, CFA

Zubair Ladak, CFA

SENIOR ADVISOR

Christopher Spencer, CFA

MEMBERS

Colan Wang, CFA

Cynthia (Hong) Yu, CFA

Deena Padamadan, CFA

Irina Issakova, CFA

Jason Parker, CFA

Kar-Wei Lam, CFA

Tony Rizzi, CFA

Vikram Iyer, CFA

PROFESSIONAL DEVELOPMENT

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Kamran Khan, CFA

Lina Irawati, CFA

Philip Song, CFA

Rossa O'Reilly, CFA

Walter Albert de Wet, CFA

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Aaron Vale	Divya Shah	Jennifer Vieno	Pouya Safi
Adilya Kanyazova	Edward Stephenson	Jing Liu	Rafael Tricta
Aimé Bwakira	Elliott Maltz	Jitendra Pal Singh	Rajesh Raghunathan
Alexander McGinn	Ernest Biktimirov	Kam Lun Kwan	Roberto Alvarez
Alexandros Athanasopoulos	Erica Gai	Khalil Ibrahim	Sara Loriot
Alicia Damley	Faisal Hachicho	Krista Fiolleau	Sean Cleary
Alwarkurichi Nagaraj	Fraser Trottier	Laleh Samarbakhsh	Sebastien Davies
Andre Fairclough	Grace Huang	Lina Irawati	Shazia Naik
Andrew Cox	Graham Edwards	Longfei Gao	Stephanie Poon
Andrew Pryor	Greg Limburg	Luca Borghi	Stuart Morrow
Andy Huynh	Gregory Pau	Lynn (Ruolin) Wang	Sumit Bose
Anh Bui	Guangming Hu	Mandi Xu	Tanner Forster
Anita McFadden	Guneet Sahni	Marian Hoffmann	Tejvinder Mondair
Ariel Liang	Hamid Ali	Mark Keuroghlian	Thomas Schneider
Bill Chau	Hasan Naqvi	Mayur Dinkar Gaikwad	Toya Awolusi
Bowen Wang	Howard (Ho Ying) Leung	Mitchell Gillingwater	Vincent Fu
Bryden Teich	Huan Zhuang	Moiz Divan	Viveck Panjabi
Chang Landarkin	Irene Chan	Nadeem Kassam	Wanting Zhao
Chongli Zhao	Jackie Au	Naiyu Zhang	Wendi Xia
Chris Caldwell	Jaime Coelho	Nancy Ammari	Wincy Wong
Christina Rulfs	Jan Onyszko-Dragan	Nicholas Boychuk	Xiaobo Wang
Christine Ha Kong	Jason Basch	Nicholas Smith	Yifeng He
Dhanushka Goonathilaka	Jason Pereira	Olga Gappasova	Yilun Zhu
Diana Cheung	Jeannine LiChong	Philip Young	Yue Bai



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

Jonathan Mai

PROGRAMS & EVENTS ASSOCIATES

Dawn Wong and Nirali Dundh

MEMBER SERVICES COORDINATOR

Deborah Kim

EXECUTIVE ASSISTANT TO SENIOR MANAGEMENT

Hannah Mooney

MEMBERSHIP & UNIVERSITY ADMINISTRATOR

Andrea Olarte

FINANCIAL STATEMENTS

Independent Auditor's Report

For the Year Ended June 30, 2021



BDO Canada LLP
222 Bay Street, Suite 2200, PO Box 131 Toronto ON M5K 1 H1, Canada
T: 416 865 0200 F: 416 865 0887 Website: 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, 2021, 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, 2021, 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

October 13, 2021

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

	2021	2020
Assets		
Current		
Cash	\$ 218,014	\$ 191,626
Short-term investments (Note 2)	2,730,838	1,294,477
Accounts receivable	174,587	80,261
Prepaid expenses	106,890	117,358
	3,230,329	1,683,722
Long-term investment (Note 2)	—	1,400,000
Capital assets (Note 3)	453,414	615,229
Intangible assets (Note 4)	176,795	188,225
	\$ 3,860,538	\$ 3,887,176
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 450,322	\$ 453,023
Unearned revenue (Note 5)	225,791	349,700
	676,113	802,723
Deferred capital contributions (Note 6)	194,574	167,215
Deferred lease inducements (Note 7)	359,435	482,668
Government loan (Note 8)	40,000	—
	1,270,122	1,452,606
Net assets		
Investment in capital assets (Note 9)	106,018	193,612
Stabilization reserve	940,000	940,000
Opportunities and technology reserve	371,300	371,300
Event cancellation reserve	100,000	100,000
Capital expenditures reserve	412,500	412,500
Unrestricted funds	660,598	417,158
	2,590,416	2,434,570
	\$ 3,860,538	\$ 3,887,176

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

	2021	2020
Revenue		
Membership dues	\$ 1,997,315	\$ 2,002,741
CFA Institute discretionary grants	659,792	677,076
Program and sponsorship revenue	223,303	630,202
Interest and miscellaneous income (Note 8 and 12)	147,470	121,099
Membership placement services	123,400	119,385
Facility services	59,178	75,228
Candidate education	13,854	13,541
Other member services	11,238	13,576
	<u>3,235,550</u>	<u>\$ 3,652,848</u>
Expenses		
Salaries and related benefits	1,688,265	1,700,730
Rent and utilities (Note 7)	298,736	292,618
Amortization of capital and intangible assets	281,875	345,346
Member operations expenses	239,945	359,253
Professional services	224,700	205,267
Telecommunications and website	177,844	195,664
Marketing and development	101,061	106,202
Program expenses	35,197	372,632
Office and general	25,599	48,567
Meetings, conferences and honoraria	6,482	18,259
	<u>3,079,704</u>	<u>3,644,538</u>
Excess of revenues over expenses for the year	<u>\$ 155,846</u>	<u>\$ 8,310</u>

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

Statement of Changes in Net Assets

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

For the year ended June 30, 2020

	Investment in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
Balance, beginning of the year	\$ 340,456	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 262,004	\$ 2,426,260
Excess (deficiency) of revenues over expenses (Note 9)	(183,380)	—	—	—	—	191,690	8,310
Investment in capital assets (Note 9)	36,536	—	—	—	—	(36,536)	—
Balance, end of the year	\$ 193,612	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 417,158	\$ 2,434,570

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

Statement of Cash Flows

For the year ended June 30

	2021	2020
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 155,846	\$ 8,310
Items not affecting cash:		
Amortization of capital and intangible assets	281,875	345,346
Amortization of deferred capital contributions	(70,081)	(48,956)
Amortization of deferred lease inducements	(123,233)	(123,233)
Loan forgiveness of government loan (Note 8)	(20,000)	—
	224,407	181,467
Changes in non-cash working capital:		
Accounts receivable	(94,326)	111,721
Prepaid expenses	10,469	46,429
Accounts payable and accrued liabilities	(2,700)	32,969
Unearned revenue	(123,909)	(433,165)
	13,941	(60,579)
Cash flows from investing activities		
Purchase of investments	(2,859,082)	(4,756,276)
Proceeds from sale of investments	2,822,719	4,768,412
Purchase of capital assets	(7,506)	(21,840)
Purchase of intangible assets	(101,124)	(102,587)
	(144,993)	(112,291)
Cash flows from financing activities		
Additions of deferred capital contributions	97,440	87,891
Proceeds from government loan	60,000	—
	157,440	87,891
Net increase (decrease) in cash	26,388	(84,979)
Cash, beginning of year	191,626	276,605
Cash, end of year	\$ 218,014	\$ 191,626

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

Notes to Financial Statements

June 30, 2021

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, 2021

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

	2021	2020
High interest savings accounts	\$ 809,700	\$ 767,077
Guaranteed investments certificates	1,921,138	527,400
Total short-term investments	\$ 2,730,838	\$ 1,294,477
Guaranteed investments certificates	\$ —	\$ 1,400,000
Total long-term investments	\$ —	\$ 1,400,000

Short-term investments are comprised of guaranteed investments certificates with interest rates from 0.55% to 2.27% (2020 - 2.06% to 2.11%) and maturity dates from October 21, 2021 to April 7, 2022 (2020 - October 21, 2020 to November 16, 2020).

In 2020, long-term investments were comprised of guaranteed investments certificates with interest rates from 2.11% to 2.17% and maturity dates from October 21, 2021 to November 15, 2021.

Notes to Financial Statements (continued)

June 30, 2021

3. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 355,067	\$ 338,512	\$ 347,561	\$ 326,316
Furniture and fixtures	285,105	275,868	285,105	265,545
Leasehold improvements	1,032,768	605,146	1,032,768	458,344
	<u>1,672,940</u>	<u>1,219,526</u>	<u>1,665,434</u>	<u>1,050,205</u>
		<u>\$ 453,414</u>		<u>\$ 615,229</u>

4. Intangible Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	\$ 316,476	\$ 259,430	\$ 277,739	\$ 188,498
Website design	289,788	170,039	227,401	128,417
	<u>606,264</u>	<u>429,469</u>	<u>505,140</u>	<u>316,915</u>
		<u>\$ 176,795</u>		<u>\$ 188,225</u>

5. Unearned Revenue

	2021	2020
Balance - beginning of year	\$ 349,700	\$ 782,865
Additions during the year	2,637,132	2,660,482
Recognized in revenue	(2,761,041)	(3,093,647)
Balance - end of year	<u>\$ 225,791</u>	<u>\$ 349,700</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:

	2021	2020
Balance - beginning of year	\$ 167,215	\$ 128,277
Additions during the year	97,440	87,891
Recognized in revenue	(70,081)	(48,953)
Balance - end of year	<u>\$ 194,574</u>	<u>\$ 167,215</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	2021 Total	2020 Total
Balance - beginning of year	\$ 442,627	\$ 40,041	\$ 482,668	\$ 605,901
Less lease inducements recognized in the year	(113,010)	(10,223)	(123,233)	(123,233)
Balance - end of year	<u>\$ 329,617</u>	<u>\$ 29,818</u>	<u>\$ 359,435</u>	<u>\$ 482,668</u>

8. Government Loan

The Society received the \$60,000 (2020 - \$Nil) Canada Emergency Business Account ("CEBA") loan to finance qualifying non-deferrable expenses during COVID-19. The loan is noninterest bearing with no scheduled payments until December 31, 2022. 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, 2022, 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, 2025. The \$40,000 is expected to be repaid in full by December 31, 2022, therefore during the year \$20,000 (2020 - \$Nil) 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, 2021

9. Investment in capital assets

Net assets invested in capital assets are calculated as follows:

	2021	2020
Capital assets (Note 3)	\$ 453,414	\$ 615,229
Intangible assets (Note 4)	176,795	188,225
Deferred lease inducements relating to leasehold improvements (Note 7)	(329,617)	(442,627)
Deferred capital contribution (Note 6)	(194,574)	(167,215)
	<u>\$ 106,018</u>	<u>\$ 193,612</u>

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

	2021	2020
Excess of expenditures over revenues		
Amortization of capital and intangible assets	\$ (281,875)	\$ (345,346)
Amortization of deferred lease inducements (Note 7)	113,010	113,010
Amortization of deferred capital contributions (Note 6)	70,081	48,956
	<u>\$ (98,784)</u>	<u>\$ (183,380)</u>
Investment in capital assets		
Capital and intangible assets acquired	\$ 108,630	\$ 124,427
Additions to deferred capital contributions (Note 6)	(97,440)	(87,891)
	<u>\$ 11,190</u>	<u>\$ 36,536</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:

2022	\$ 442,000
2023	442,000
2024	406,000
	<u>\$ 1,290,000</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 \$20,873 (2020 - \$18,431). 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.

2021

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**CFA Society
Toronto**
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