



2020 ANNUAL REPORT



**CFA Society
Toronto**
LET'S MEASURE UP™

SETTING A HIGHER STANDARD FOR THE
TORONTO INVESTMENT COMMUNITY

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FROM THE DESK OF THE CEO

Despite the myriad of challenges, we've faced in 2020, the 2019-2020 fiscal year has been a productive and meaningful one at CFA Society Toronto. It has been a true effort in teamwork as our members, office staff, and more than 350 volunteers have pivoted together as a community in the face of COVID-19 through the digital delivery of many exciting new member services.

Launch of *The Analyst* Online Platform

In May 2020, we celebrated the launch of the online platform for our membership publication, *The Analyst*. This electronically connected platform offers access to current and past issues of *The Analyst*, providing members the opportunity to more deeply explore their chosen areas of interest along with access to a variety of relevant articles on emerging industry trends

Programming

After many successful in-person luncheons, seminars, and conferences in our 2019-2020 year, we were able to take our program offerings in a different, virtual direction for the remainder of the fiscal year. We rapidly evolved our proven face-to-face programming into a digital format, maintaining the quality and breadth of programming to meet the professional and personal development needs of our members.

Mentorship Committee

With over 550 successful pairings since its inception, CFA Society Toronto members have enjoyed our exclusive mentorship program for over 13 years. In addition to the traditional pairings program, the committee continued their work to expand the program's learning and networking opportunities by launching the Knowledge Network Directory as well as producing "Day in the Life Of" and "Ask Us Anything" series, providing members at all levels access to advice and career stories on a wide variety of industry segments.

Reflecting on the personal and professional obstacles that we have all faced together over the past year; I am incredibly proud of the many hard-working and caring members of CFA Society Toronto's finance community who have strived to support each other and raise the bar for the greater good of our industry.

Sue Lemon, CFA
CEO, CFA Society Toronto



BOARD CHAIR MESSAGE

It's hard to believe that I started my time on CFA Society Toronto's Board of Directors five years ago. Throughout my time on the Board, and my term as Board Chair, it has been an honour to work alongside so many dedicated volunteers and to get a better personal understanding of my fellow Society members.

The last six months in my term as Board Chair has been particularly eventful as we cope with the realities of life and business during the COVID-19 pandemic. While I didn't get to enjoy the face-to-face time with members that I have in my earlier time on the board, I appreciated the chance to work together virtually towards a shared goal – making high-quality contributions towards a trustworthy financial community. I continue to be impressed, amazed, and proud of the way CFA Society Toronto membership has come together.

I am glad that charterholder dedication to making high-quality contributions toward a trustworthy financial community also encompasses prioritizing the health and safety of our members, volunteers, event attendees, staff, and those we serve. I am grateful that we were able to provide accessible, virtual options for our membership quickly, and without impacting the calibre or breadth of programming and service.

With a focus on remaining connected, and a lending hand from technology, we have been able to provide continual content to meet the evolving needs of CFA charterholders moving in person content online. We were able to maintain and exceed our vision as the leading source of world-class investment professionals, in the middle of a global pandemic.

Our volunteers, board of directors, and staff have been inspirational in the way they have adapted to membership needs. A lot of work has gone into the creation of impactful and timely content for our members, despite the way they've made it seem effortless. I am so happy with the positive leadership our members have maintained through their outreach efforts this year.

Finally, I would like to extend a special thank you to Steven Balaban, Pamela Steer, Camilla Sutton, and Christopher Sheridan, in their support while serving on CFA Society Toronto's Board of Directors.

Vadim Gracie, CFA
Chair, CFA Society Toronto
Board of Directors

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

WHO WE ARE

Since 1936, CFA Society Toronto has been serving Toronto's finance community with a goal to build a strong and sustainable future of finance. The Society achieves this by connecting local practitioners with the global finance community through meaningful networking opportunities and providing leading edge professional and career development opportunities.

Today, CFA Society Toronto is Canada's largest association of Chartered Financial Analysts and is ranked the second-largest CFA Society in over 150 global financial markets.

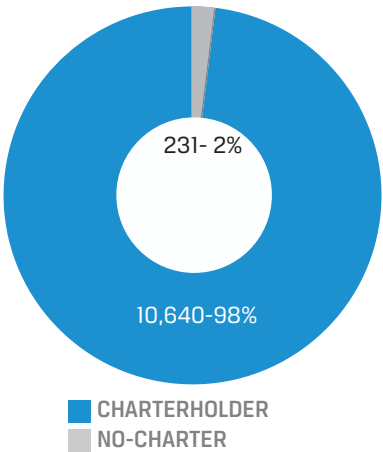
SOCIAL RESPONSIBILITY

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 over 10,000 active investment practitioners in 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 and the markets they serve.

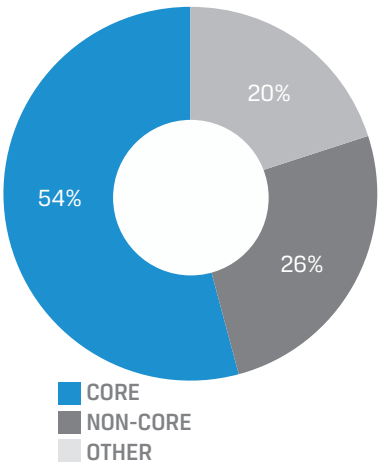
MEMBERSHIP BASE



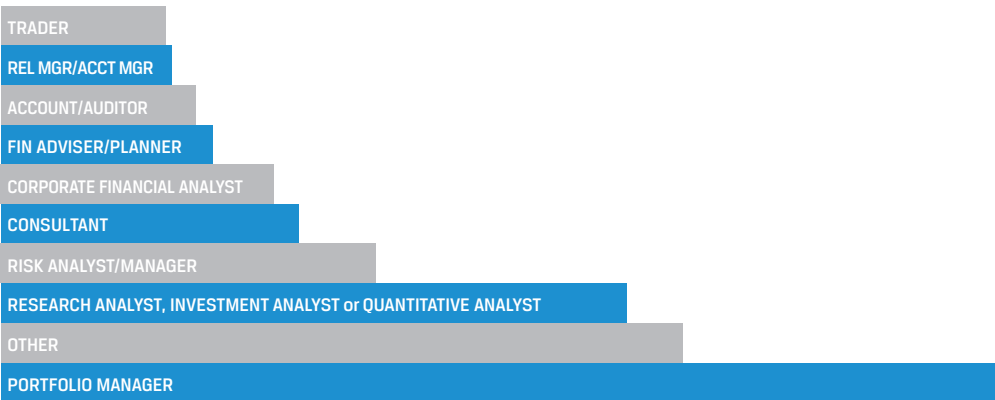
ACTIVE SOCIETY MEMBERS



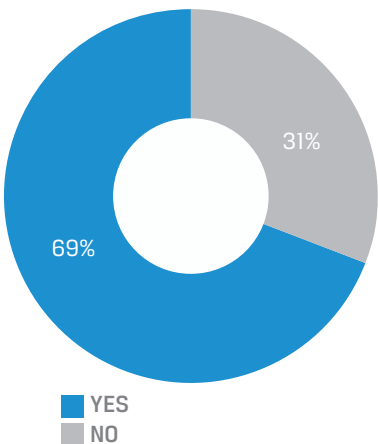
OCCUPATION TYPE



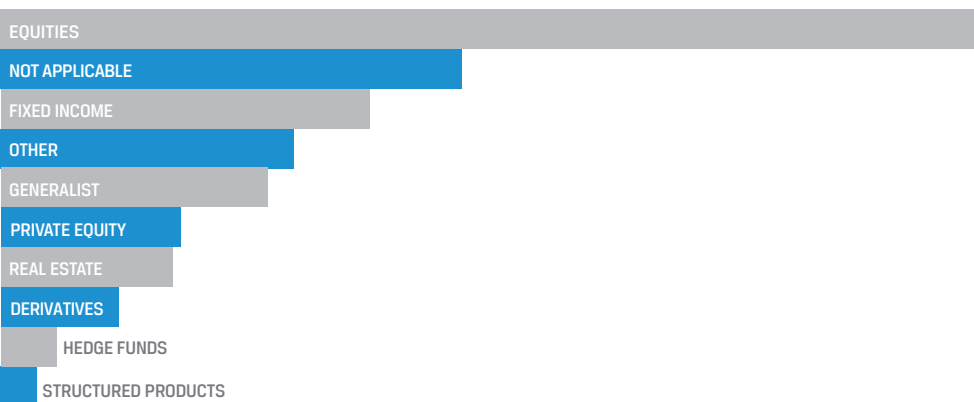
MEMBER OCCUPATIONS



EMPLOYER SUPPORT



PRIMARY INVESTMENT FOCUS



Data as of 30 June 2020

MEMBER SERVICES

CFA Society Toronto's Member Services provides access for members to expand their networks and build their personal brand as leaders in the investment community through professional development, mentoring, contributions in industry publications, community outreach, and transitioning opportunities for newcomers.

CFA Society Toronto's Member Services provides our community with timely and relevant professional and career enhancement opportunities, which include:

- Mentorship - highly coveted participation in various mentorship programs that are exclusive to members;
- Member Communications – informing our members of impactful matters and various topics of interest through our quarterly publication - *The Analyst*.

MENTORSHIP PROGRAM

The Mentorship Program has successfully matched over 550 Mentors and Protégés since 2007, with 2019 being our largest pairing year to date. The program aims to pass on the knowledge and experiences of established CFA charterholding practitioners onto the future generation of the investment community. The program also provides opportunities to network and develop stronger leadership skills through exclusive events like speed mentoring and the 'Day in the Life of' Speaker Series.

THE ANALYST

Our Member Communications committee launched the Society's May special edition of *The Analyst* on a new online platform. This new platform provides our community access to past and current issues and enables readers to share articles. *The Analyst* also resumed the production and Canadian distribution of two printed issues a year (June and December).

MEMBER DISCOUNT PROGRAM

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

CAREER CENTRE

For job seekers, CFA Society Toronto offers a valuable online career centre with financial, industry-specific job opportunities and search resources. New jobs are posted and promoted via email and social media 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 a uniquely qualified audience of over 10,000 Society members 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 derivatives, equity, fixed income, portfolio management, private wealth, and risk management, while also providing unique perspectives on new emerging topics. Furthermore, we recognize the different learning styles and time commitments our industry faces. To better accommodate a diverse professional development environment, our programs and events come in a variety of formats.

These include:

- Topical seminars
- Workshops
- Annual conferences
- Courses
- Webinars/webcasts
- Professional Learning credits



ESG/SUSTAINABLE INVESTING EVENTS

ESG/Sustainable Investing was a key professional development focus for CFA Society Toronto this year. We held six events/webinars related to this macro topic, which attracted over 500 attendees in total.

Notable events this past year include:

New Members Welcome Reception

16 October 2019

This sold-out networking event welcomed over one hundred new members who have recently joined CFA Society Toronto. Attendees gained valuable insights from the evening's speakers: Vadim Grace, CFA, Chair of CFA Society Toronto's Board of Directors and Aaron Vale, CFA, an active committee member on the Awards & University Relations Committee and the Chair of the Society's Institutional Asset Management Committee.

2019 Annual Investment Dinner

07 November 2019



Over 860 professionals from Toronto's investment community gathered at the Metro Toronto Convention Centre on 07 November 2019 to attend CFA Society Toronto's annual marquee event - the 2019 Annual Investment Dinner. This year's event welcomed fireside chat moderator, Margaret Franklin, CFA, President & Chief Executive Officer of CFA Institute, and our special guest, the legendary Gerald Schwartz, Chairman, Founder and Chief Executive Officer of Onex Corporation.

Keeping with tradition, members of the audience answered questions about the markets and their predictions for the future.

Will robots be able to act as agents in their own right and make moral and ethical decisions in the future?

YES	31.98%
NO	68.02%

Looking out over the next 1-2 years, what do you see as the biggest risk to markets?

Trade wars	10.98%
Geopolitical risks	45.88%
GDP slowdown/Declining corporate earnings	43.14%

Members' Holiday Networking Food Drive

17 December 2019

We were pleased to welcome members of the Society to come together and celebrate the holidays as a community filled with the spirit of merry-making and giving. Donations were made to Second Harvest, to support families who are faced with food sourcing insecurities.

Sustainable Investing Symposium

31 January 2020

This year we hosted our first Sustainable Investing Symposium. At this sold-out event, attendees learned the basics of ESG integration in a collection of workshops focused on a different topic within the realm of ESG investing. These workshops provided our attendees the relevant skills to effectively employ ESG criteria in today's investing world.

TMX Market Open & Annual CFA Charter Recognition – Class of 2019

27 February 2020

On 27 February 2020, we were pleased welcomed our newest CFA charterholders to the Society. We kicked off celebrations to mark this milestone achievement with a Market Opening at the TMX. In the evening, over 530 grads and guests attended the Annual CFA Charter Recognition – a graduation ceremony

CFA Society Toronto ESG Bootcamp (WEBINAR)

01 , 09, 17 June 2020

In June, CFA Society Toronto launched its inaugural ESG Bootcamp; a three-part webinar series uniquely designed for portfolio managers and analysts who are just beginning to explore ESG integration. Each three hour virtual session was facilitated by ESG Global Advisors and featured a different expert guest speaker who is spearheading their own firms' approach to ESG integration and climate change-related issues. The ESG Bootcamp will be periodically offered throughout 2020-2021.

2020 Annual Pension Conference: The Next Decade and Beyond Webinar Series (WEBINAR)

23 June 2020

In June, the 2020 Annual Pension Conference was offered as a four-part webinar series for the first time in its conference history. The Next Decade and Beyond thematic focus of this year's conference included forward-looking discussions on how markets may change and how to position portfolios to be resilient in an age of heightened disruptions and uncertainty caused by technological change, increased geopolitical risk, low to negative interest rates and COVID-19.



and reception held at the Arcadian Court with keynote speaker, Som Seif, CFA, Founder & CEO at Purpose Investments Inc. This year we welcomed 815 new CFA Charterholding Society members from the June 2019 exam.



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 of 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 Platinum and Gold corporate partners include:

PLATINUM: Refinitiv, one of the world's largest providers of financial markets data and infrastructure.

GOLD: Horizons ETFs

GOLD: S&P Dow Jones Indices

GOLD: TMX Group

EVENT SPONSORS

CFA Society Toronto annual events can range in size from 100 to over 800 attendees. Hard costs associated with these events are offset by sponsor support of meals, networking breaks, networking receptions, 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

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 REFINITIV

PLATINUM CORPORATE SPONSOR



Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. It provides leading data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community - driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime. For more information visit: www.refinitiv.com

ABOUT HORIZONS ETFs MANAGEMENT (CANADA) INC.

GOLD CORPORATE SPONSOR



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 approximately \$10 billion of assets under management and 91 ETFs listed on major Canadian stock exchanges. See www.horizonsetfs.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 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 become home to over 1,000,000 indices across the spectrum of asset classes that have helped 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 TMX GROUP

GOLD CORPORATE SPONSOR



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, 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 and Singapore. For more information about TMX Group, visit our website at: www.tmx.com. Follow TMX Group on Twitter: @TMXGroup

ABOUT NATIONAL BANK INDEPENDENT NETWORK

FACILITY SPONSOR



National Bank Independent Network (NBIN) is Canada's leading provider of custody, trade execution, and brokerage solutions to independent wealth management firms. NBIN is a division of National Bank Financial Inc. (NBF Inc.), a wholly owned subsidiary of National Bank of Canada (NBC). The National Bank Independent Network trademark is owned by NBC and used under license by NBF Inc. For more information about National Bank Independent Network, visit their website at www.nbin.ca

ABOUT SCOTIA GLOBAL ASSET MANAGEMENT

FACILITY SPONSOR

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.

ABOUT VANGUARD INVESTMENTS CANADA

FACILITY SPONSOR



Canadians own CAD \$39 billion in Vanguard assets, including Canadian and U.S.-domiciled ETFs, Canadian institutional products and Canadian mutual funds. Vanguard Investments Canada Inc. manages CAD \$23 billion in assets (as of September 30, 2019) with 39 Canadian ETFs, four mutual funds, 12 target retirement funds and eight pooled 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 \$5.7 trillion (CAD \$7.5 trillion) in global assets, including over USD \$1.1 trillion (CAD \$1.4 trillion) in global ETF assets (as of September 30, 2019). Vanguard has offices in the United States, Canada, Mexico, Europe, Australia and Asia. The firm offers 421 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.

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.



(L-R): Tristan Yuen, Effy Gao, Jenny Chen and Joanne Leung

CFA INSTITUTE RESEARCH CHALLENGE

The CFA Institute Research Challenge is an equity research competition among student teams from the world's top university business and finance programs. Students write an equity research report on a publicly traded company and present their findings to an expert panel. Teams that take first place at the local-level competition advance to the regional competition. The top teams from each of the regional competitions advance to the global competition where one team will be crowned champion.



(L-R): Logan Fraser, Pamela Zeng, Mitchell Ho and Isaac Wong

UNDERGRADUATE FINANCE & ECONOMICS SCHOLARSHIP AWARDS

In our continuing efforts to promote the high standards of the CFA designation to our next generation of financial professionals, CFA Society Toronto was pleased to host the Undergraduate Finance & Economics Scholarship Awards. 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 (C\$3,000): Deven Chander, Queen's University

SECOND PLACE (C\$2,000): Tina Fang, Queen's University

THIRD PLACE (C\$1,000): Lucy Yang, University of Waterloo

4th year award recipients:

FIRST PLACE (C\$3,000): David Hao, Queen's University

SECOND PLACE (C\$2,000): Garbo Liu, University of Waterloo

THIRD PLACE (C\$1,000): Nicolas Ouellette, Queen's University

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.

2019/2020 BOARD MEMBERS



CHAIR
Vadim Gracie, CFA, FRM, CIM, FCSI

VICE CHAIR
Robert Cultraro, CFA

PAST PRESIDENT
Pamela Steer, CFA, FCPA, FCA

MEMBER SERVICES
Grace Cleary-Yu, CFA, M.Fin

SECRETARY-TREASURER
Brenda King-Hrycaj, CFA CPA, CA,

PROGRAMS CHAIR
Kathrin Forrest, CFA

PROGRAMS VICE CHAIR
Paul Hamilton, CFA

OUTREACH
Steve Balaban, CFA

MEMBERS-AT-LARGE
Andrew Auerbach, CFA
Mari Jensen, CFA
Sue Lemon, CFA
Christopher Sheridan, CFA
Camilla Sutton, CFA, MBA

(L-R): Mari Jensen, CFA; Camilla Sutton, CFA, MBA; Sue Lemon, CFA; Robert Cultraro, CFA; Vadim Gracie, CFA, FRM, CIM, FCSI; Christopher Sheridan, CFA; Pamela Steer, CFA, FCPA, FCA; Kathrin Forrest, CFA; Paul Hamilton, CFA; Andrew Auerbach, CFA; Grace Cleary-Yu, CFA, M.Fin

Absent from photo: Steve Balaban, CFA; Brenda King-Hrycaj, CFA, CPA, CA

2019-2020 STANDING COMMITTEES

AUDIT COMMITTEE

CHAIR

Camilla Sutton, CFA

MEMBERS

Kathrin Forrest, CFA
Sue Lemon, CFA
Adrian Morgan, CFA
Allison Murray
Amy Stephenson, CFA
Norma Summers

FINANCE COMMITTEE

CHAIR

Brenda King, CFA

MEMBERS

Michael Kehoe, CFA
Naeem Karodia, CFA
Michael Garofalo, CFA
Sue Lemon, CFA
Allison Murray
Dhaval Shah, CFA
Norma Summers
Bobby Thompson, CFA
Wendy Wang, CFA
Olesya Zhovtanetska, CFA

GOVERNANCE & NOMINATION COMMITTEE

CHAIR

Pamela Steer, CFA

MEMBERS

Anish Chopra, CFA
Sue Lemon, CFA
Fred Pinto, CFA
Ron Schwarz, CFA
Chris Sheridan, CFA
Norma Summers
Olesya Zhovtanetska, CFA

MEMBERSHIP

CHAIR

Brian Madden, CFA

VICE CHAIR

Answerd Ramcharan, CFA

MEMBERS

Mike Chung, CFA
Wei Hong, CFA
Andrew Ma, CFA
Andrew Morgan, CFA
Mary Anne Palangio, CFA
Sophie Ren, CFA

2019-2020 PROGRAMMING COMMITTEES

CORPORATE FINANCE

CHAIR

Kris Somers, CFA

VICE CHAIR

Fanny Doucet, CFA

SENIOR ADVISOR

Kevin Dickinson, CFA

MEMBERS

Alana Awad (Buckley), CFA

Anh Bui, CFA

Mark Laing, CFA

Cherry (Jing Ru) Li, CFA

Angela (Wei Jaun) Ma, CFA

Lee McNab, CFA

Suneil Ramesh, CFA

Viktor Russu, CFA

Stanley Yeung, CFA

Adam Waldman, CFA

INDUSTRY RELATIONS & CORPORATE GOVERNANCE

CHAIR

Sadiq Alladina, CFA

VICE CHAIRS

Michael Marchetti, CFA

Colette Tom, CFA

SENIOR ADVISOR

Parham Nasser, CFA

MEMBERS

Salman Amin, CFA

Nino Boezio, CFA

Qoomail Dewji, CFA

Divya Shah, CFA

Xiaobo Wang, CFA

Ashley Warburton, CFA

Yan (Daisy) Xu, CFA

INSTITUTIONAL ASSET MANAGEMENT

CHAIR

Aaron Vale, CFA

VICE CHAIRS

Cathy Dimitriadis, CFA

Yelena Stepanyan, CFA

SENIOR ADVISOR

Heather Cooke, CFA

MEMBERS

Yvonne Bai, CFA

Jasmit Bhandal, CFA

Razvan Boconcio, CFA

Mark Lu, CFA

Becky Perry, CFA

Maurice Smith, CFA

Andy Sun, CFA

Philip Young, CFA

Ling Zhang, CFA

Alexandra Zvarich, CFA

PRIVATE WEALTH MANAGEMENT

CHAIR

Julie Brough, CFA

VICE CHAIRS

Zubair Ladak, CFA

Robert (Morgan) Pampe, CFA

SENIOR ADVISORS

Randy Gunn, CFA

Tom Trainor, CFA

MEMBERS

Anish Chopra, CFA

Scott Dickenson, CFA

Brian Galley, CFA

Jean-Michel Lamontagne, CFA

Justin McAdam, CFA

Anna Nepravishta, CFA

Linda Palin, CFA

Wanting Zhao, CFA

NON-GTA MEMBER REP

Andréa McCarraher-Miljkovic, CFA

PROFESSIONAL DEVELOPMENT

CHAIR

Jenifer Rush, CFA

VICE CHAIR,

NON-GTA MEMBER REP

Ryan Modesto, CFA

SENIOR ADVISOR

Sean Cleary, CFA

Rupel Ruparelia, CFA

MEMBERS

Jasmit Bhandal, CFA

Razvan Boconcios, CFA

Tanya Kirsch, CFA

Hei Wai Kwan, CFA

Ozan Pamir, CFA

Becky Perry, CFA

Andreas Prucker, CFA

Maurice Smith, CFA

Andy Sun, CFA

Derek Walker, CFA

Ling Zhang, CFA

Alexandra Zvarich, CFA

2019-2020 NON-PROGRAMMING COMMITTEES

AWARDS & UNIVERSITY RELATIONS

CHAIR

Craig Geoffrey, CFA, MBA

VICE CHAIR

Sunny Guo, CFA

SENIOR ADVISOR

Steve Balaban, CFA

MEMBERS

Rajeev Arora, CFA

Daniella Auerbach, CFA

Jason Basch, CFA

Mohsin Bashir, CFA

Tim Nakai, CFA

Stephanie Poon, CFA

Maureen Stapleton, CFA

Aaron Vale, CFA

Kevin Veenstra, CFA

Anthony Visano, CFA

Michael Wang, CFA

Otto Yung, CFA

MENTORSHIP

CHAIR

Chris Spencer, CFA

VICE CHAIR

Eve Makarova, CFA

Omar Masud, CFA

SENIOR ADVISOR

Brian Madden, CFA

MEMBERS

Andrew Heald, CFA

Irina Issakova, CFA

Vikram Iyer, CFA

Kar-Wei Lam, CFA

Deena Padamadan, CFA

Jason Parker, CFA

Tony Rizzi, CFA

MEMBER COMMUNICATIONS

CHAIR

Robyn Graham, CFA

VICE CHAIR

Salman Amin, CFA

MEMBERS

Ankita Bahl, CFA

Dennis Bardetsky, CFA

James Barry, CFA

Devin Crago, CFA

Stephanie Condra, CFA

Walter deWet, CFA

Christine Ha Kong, CFA

Kamran Khan, CFA

Lina Irawati, CFA

Victor Lee, CFA

Rossa O'Reilly, CFA

Philip Song, CFA,

Gisele Suen, CFA

Jennifer Vieno, CFA

Ashley Warburton, CFA

Jason Wang, CFA

2019-2020 PROJECT VOLUNTEERS

We have increased our short-term volunteer opportunities for Project Volunteers this year by 55%. These opportunities included assisting with office administration projects, task force projects, assisting with our outreach awards and event and programming support.

Haneen Abulibdeh	Melanie Dussarrat	Nadeem Kassam	Tejvinder Mondair	John Michael Tan
Furaz Ahmad	Andre Fairclough	Mark Keuroghlian	Bria Murphy	Jason Taylor
Abdel Ali	Tanner Forster	Ashhad Khan	Alwarkurichi Nagaraj	Bryden Teich
Hamid Ali	Vincent Fu	Saro Khatchadourian	Jan Onysko-Dragan	Rafael Tricta
Robert Alvarez	Dhaval Gangar	Christine Kong	Viveck Panjabi	Fraser Trottier
Nancy Ammari	Erica Gai	Jessica Kong	Elena Pankoff	Aaron Uppal
Mikhail Amyn	Mayur Gaikwad	Anastasiya Krasnikova	Mario Pejic	Aaron Vale
Alex Athanasopoulos	Lucy Gao	Tadeu Krueger	Qiuliang (Alan) Peng	Rohit Verma
Omotayo Awolusi	Olga Gappasova	Cody Kwan	Jason Pereira	Jennifer Vieno
Maggie Bai	Mitchell Gillingwater	Harry Kwan	Stephanie Poon	Bei Wang
Yvonne Bai	Nigel Gonsalves	Frances Lau	Nazar Poshelyuzhnyy	Bowen Wang
Jason Basch	Dhanushka Goonathilaka	Anita Lall (McFadden)	Andrew Pryor	Rui Wang
Theo Bavelas	Faisal Hachicho	Alexander Lee	Rajesh Raghunathan	Ruoline (Lynn) Wang
Aayush Bhutani	Ling Han	Howard Leung	Mobeen Rahman	Wincy Wong
Cherie Bong	Yifeng He	Sitan Li	Dmitry Rakhanskiy	Wendy Xia
Luca Borghi	Sofia Hegazy	Ariel Liang	Oxana Rebro	Sylvia Xie
Nick Boychuk	Marian Hoffmann	Gloria Liang	Samsum Roshanardalansam	Mandi Xu
Anh Thi Hien Bui	Wei Hong	Xiao Bo (Andrew) Lin	Christina Rulfs	Philip Young
Aime Bwakira	Guangming Hu	Delphine Liu	Victor Russu	Naiyu Zhang
Chris Caldwell	Grace Huang	Ali Lodi	Anirban Samajpati	Joseph Zhao
William Chan	Mohamed Ibrahim	Sara Loriot	Divya Shah	Wanting Zhao
Frances Cheng	Sergio Ilzarbe	Alicia Mair	Hardik Shah	Yang (Bruce) Zhang
Ryan Wai Keung Chung	Lina Irawati	Elliott Maltz	Nicholas Smith	Jane Zheng
Jaimie Coelho	Naqi Jafri	Lyndon Martin	Yiping (Philip) Song	Elaine Zhu
Sara Dexin	Diana Kang	Elena Matveeva	Gisele Suen	Tammy Zhuang
Kevin Dickinson	Adilya Kanyazova	Dhruwa Mittal	Justin Taheri	
Neil D'Souza		Marco Mohareb		



MANAGEMENT OFFICE

CHIEF EXECUTIVE OFFICER

Sue Lemon, CFA

CHIEF OPERATING OFFICER

Norma Summers

DIRECTOR, OPERATIONS

Valerie Weddell

DIRECTOR, MEMBER SERVICES

Jenny Yeo

CORPORATE ENGAGEMENT &
SPONSOR RELATIONS MANAGER

Chris Burke

IT MANAGER

Alexandra Pegg

MARKETING & COMMUNICATIONS
SPECIALIST

Jonathan Mai

PROGRAMS & EVENTS ASSOCIATES

Dawn Wong and Nirali Dundh

MEMBER SERVICES COORDINATOR

Deborah Kim

SENIOR ADMINISTRATOR

Hannah Mooney

OFFICE ADMINISTRATOR

Andrea Olarte

FINANCIAL STATEMENTS

Independent Auditor's Report

For the Year Ended June 30, 2020



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, 2020, 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, 2020, 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 14, 2020

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

	2020	2019
Assets		
Current		
Cash	\$ 191,626	\$ 276,605
Short-term investments (Note 2)	1,294,477	2,706,611
Accounts receivable	80,261	191,982
Prepaid expenses	117,358	163,787
	1,683,722	3,338,985
Long-term investment (Note 2)	1,400,000	—
Capital assets (Note 3)	615,229	801,859
Intangible assets (Note 4)	188,225	222,511
	<u>\$ 3,887,176</u>	<u>\$ 4,363,355</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 453,023	\$ 420,052
Unearned revenue (Note 5)	349,700	782,865
	802,723	1,202,917
Deferred capital contributions (Note 6)	167,215	128,277
Deferred lease inducements (Note 7)	482,668	605,901
	<u>1,452,606</u>	<u>1,937,095</u>
Net assets		
Investment in capital assets (Note 8)	193,612	340,456
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	417,158	262,004
	<u>2,434,570</u>	<u>2,426,260</u>
	<u>\$ 3,887,176</u>	<u>\$ 4,363,355</u>

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

	2020	2019
Revenue		
Membership dues	\$ 2,002,741	\$ 1,869,718
CFA Institute discretionary grants	677,076	610,512
Program and sponsorship revenue	630,202	824,051
Interest and miscellaneous income	121,099	64,747
Membership placement services	119,385	185,055
Facility services	75,228	86,546
Candidate education	13,541	43,594
Other member services	13,576	13,239
	<u>\$ 3,652,848</u>	<u>\$ 3,697,462</u>
Expenses		
Salaries and related benefits	1,700,730	1,516,631
Program expenses	372,632	518,197
Member operations expenses	359,253	403,225
Amortization of capital and intangible assets	345,346	326,811
Rent and utilities (Note 7)	292,618	297,272
Professional services	205,267	152,726
Telecommunications and website	195,664	147,795
Marketing and development	106,202	91,028
Office and general	48,567	60,739
Meetings, conferences and honoraria	18,259	22,078
	<u>3,644,538</u>	<u>3,536,502</u>
Excess of revenues over expenses for the year	<u>\$ 8,310</u>	<u>\$ 160,960</u>

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

Statement of Changes in Net Assets

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 8)	(183,380)	—	—	—	—	191,690	8,310
Investment in capital assets (Note 8)	36,536	—	—	—	—	(36,536)	—
Balance, end of the year	\$ 193,612	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 417,158	\$ 2,434,570

For the year ended June 30, 2019

	Investment in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
Balance, beginning of the year	\$ 519,702	\$ 940,000	\$ 371,300	\$ 100,000	\$ 212,500	\$ 121,798	\$ 2,265,300
Excess (deficiency) of revenues over expenses (Note 8)	(200,834)	—	—	—	—	361,794	160,960
Transfer to (from) internally restricted funds	—	—	—	—	200,000	(200,000)	—
Investment in capital assets (Note 8)	21,588	—	—	—	—	(21,588)	—
Balance, end of the year	\$ 340,456	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 262,004	\$ 2,426,260

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

Statement of Cash Flows

For the year ended June 30

	2020	2019
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 8,310	\$ 160,960
Items not affecting cash:		
Amortization of capital and intangible assets	345,346	326,811
Amortization of deferred capital contributions	(48,956)	(12,967)
Amortization of deferred lease inducements	(123,233)	(123,233)
	181,467	351,571
Changes in non-cash working capital:		
Accounts receivable	111,721	(4,303)
Prepaid expenses	46,429	(90,082)
Accounts payable and accrued liabilities	32,969	60,156
Unearned revenue	(433,165)	129,266
	(60,579)	446,608
Cash flows from investing activities		
Purchase of investments	(4,756,276)	(2,409,703)
Proceeds from sale of investments	4,768,412	1,580,209
Purchase of capital assets	(21,840)	(25,980)
Purchase of intangible assets	(102,587)	(75,451)
	(112,291)	(930,925)
Cash flows from financing activities		
Additions of deferred capital contributions	87,891	79,844
Net decrease in cash	(84,979)	(404,473)
Cash, beginning of year	276,605	681,078
Cash, end of year	\$ 191,626	\$ 276,605

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

Notes to Financial Statements

June 30, 2020

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 ("ASNPO"), Part III of the Chartered Professional Accountants of Canada Handbook, as issued by the Canadian Accounting Standards Board. The financial statements reflect the following significant 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, 2020

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.

2. Investments

	2020	2019
High interest savings accounts	\$ 767,077	\$ 1,639,306
Guaranteed investments certificates	527,400	1,067,305
Total short-term investments	\$ 1,294,477	\$ 2,706,611
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 2.06% to 2.11% (2019 - 1.50% to 2.68%) and maturity dates from October 21, 2020 to November 16, 2020 (2019 - August 6, 2019 to November 7, 2019).

Long-term investment are comprised of guaranteed investments certificates with interest rates from 2.11% to 2.27% and a maturity dates from October 21, 2021 to November 15, 2021.

Notes to Financial Statements (continued)

June 30, 2020

3. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 347,561	\$ 326,316	\$ 346,638	\$ 285,803
Furniture and fixtures	285,105	265,545	284,625	253,083
Leasehold improvements	1,032,768	458,344	1,022,643	313,161
	<u>1,665,434</u>	<u>1,050,205</u>	<u>1,653,906</u>	<u>852,047</u>
	<u>\$ 615,229</u>		<u>\$ 801,859</u>	

4. Intangible Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	\$ 277,739	\$ 188,498	\$ 271,920	\$ 95,955
Website design	227,401	128,417	130,632	84,086
	<u>505,140</u>	<u>316,915</u>	<u>402,552</u>	<u>180,041</u>
	<u>\$ 188,225</u>		<u>\$ 222,511</u>	

5. Unearned Revenue

	2020	2019
Balance - beginning of year	\$ 782,865	\$ 653,608
Additions during the year	2,660,482	3,222,146
Amortized to revenue	(3,093,647)	(3,092,889)
Balance - end of year	<u>\$ 349,700</u>	<u>\$ 782,865</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:

	2020	2019
Balance - beginning of year	\$ 128,277	\$ 61,401
Additions during the year	87,891	79,843
Amortized to revenue	(48,953)	(12,967)
Balance - end of year	<u>\$ 167,215</u>	<u>\$ 128,277</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	2020 Total	2019 Total
Balance - beginning of year	\$ 555,637	\$ 50,264	\$ 605,901	\$ 729,134
Less lease inducements recognized in the year	(113,010)	(10,223)	(123,233)	(123,233)
Balance - end of year	<u>\$ 442,627</u>	<u>\$ 40,041</u>	<u>\$ 482,668</u>	<u>\$ 605,901</u>

8. Investment in capital assets

Net assets invested in capital assets are calculated as follows:

	2020	2019
Capital assets (Note 3)	\$ 615,229	\$ 801,859
Intangible assets (Note 4)	188,225	222,511
Deferred lease inducements relating to leasehold improvements (Note 7)	(442,627)	(555,637)
Deferred capital contribution (Note 6)	(167,215)	(128,277)
	<u>\$ 193,612</u>	<u>\$ 340,456</u>

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

	2020	2019
Excess of expenditures over revenues		
Amortization of capital and intangible assets	\$ (345,346)	\$ (326,811)
Amortization of deferred lease inducements (Note 7)	113,010	113,010
Amortization of deferred capital contributions (Note 6)	48,956	12,967
	<u>\$ (183,380)</u>	<u>\$ (200,834)</u>
Investment in capital assets		
Capital and intangible assets acquired	\$ 124,427	\$ 101,431
Additions to deferred capital contributions (Note 6)	(87,891)	(79,843)
	<u>\$ 36,536</u>	<u>\$ 21,588</u>

Notes to Financial Statements (continued)

June 30, 2020

9. Commitments

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

2021	\$ 452,000
2022	454,000
2023	454,000
2024	418,000
	<hr/>
	\$ 1,778,000

10. 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.

11. COVID-19 Impact

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19" outbreak. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As the impacts of COVID-19 in Canada and on the global economy continue, there could be further impact on the Society. Management is actively monitoring the effects on its financial condition, liquidity, operations, vendors and workforce.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Society is not able to fully estimate the effects of the COVID-19 outbreak on its results of future operations at this time.

During the year, the Society applied and, subsequent to the year end, received approval for the Canada Emergency Business Account ("CEBA") interest free loan of \$40,000 from the Government of Canada to support small business due to the economic impacts of the COVID-19. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

During the year, the Society applied and, subsequent to the year end, received the government of Canada's 10% Temporary Wage Subsidy for Employers ("TWS") of \$18,431.

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

2020 ANNUAL REPORT



**CFA Society
Toronto**
LET'S MEASURE UP™