

2019 ANNUAL REPORT



**CFA Society
Toronto**

LET'S MEASURE UP™

SETTING A HIGHER STANDARD FOR THE
TORONTO INVESTMENT COMMUNITY

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With a career spanning more than 25 years in finance before taking the helm at CFA Society Toronto in 2014, numbers have always been an important facet of my work. In my time as a volunteer and Past President of CFA Society Toronto and now as the CEO, numbers remain a key part of what I do, but have taken on new and exciting meaning and interpretation.

This past year CFA Society Toronto met an important milestone of surpassing 10,000 members setting an example as Canada's leading Society of CFA charterholders and the second largest Society of over 150 world- wide. While this is impressive, our 92 percent membership retention rate is the number that truly energizes the Management Office Staff, the Board of Directors, and our dedicated volunteers. Satisfaction measures indicate that our members and the industry overall are getting value from of our programs and services as well as their regular on-line participation with our various electronic platforms.

We continually monitor the pulse of our membership, by obtaining post event feedback on our programming suite of luncheons, networking events, and conferences as well as from the continuous improvements to our technology infrastructure in an effort to determine what matters the most to the members we serve. In addition, I am fortunate to be able to participate alongside our members at events and also interact with them at the office obtaining individual feedback that also goes into the mix. All of this feedback is vital and ensures that we stay on track towards fulfilling important goals and objectives in our strategic plan while as well as achieving our mission to raise standards and make high quality contributions to our industry.

Our goal is to offer the right professional development and continuing educational opportunities to our members to assist them in managing their current and future career paths forward.

Our outreach efforts are well-established engaging employers, press, sponsors, and other professional associations that align with our core values and goals. These connections allow our members to stand out in an increasingly competitive environment by showcasing their expertise as a part of the local and global investment community.

Our initiatives in financial literacy, university relations, scholarships and awards have helped inspire the next generation towards making informed choices on careers in the investment industry and lead them towards the high ethical standards that the charter is known for globally.

CFA Society Toronto continues our marketing collaboration with CFA Institute to widen the scope of our local efforts through joint global branding campaigns now targeting a HNWI (high net worth individual) audience after a successful campaign in the previous year that focussed on employers and the benefits in hiring CFA charterholders.

Reflecting on 2018-2019 I am proud to be one of the many members working towards making CFA Society Toronto even stronger and more relevant as leaders in our uniquely diverse industry and community here in Toronto.

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

We are Canada's largest CFA Society, with over 10,000 active investment practitioners. 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.

MEMBER RETENTION

CFA SOCIETY
TORONTO

92%

CANADIAN
SOCIETIES

93%

THE
AMERICAS

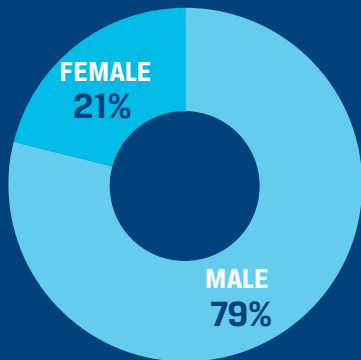
90%

GLOBAL

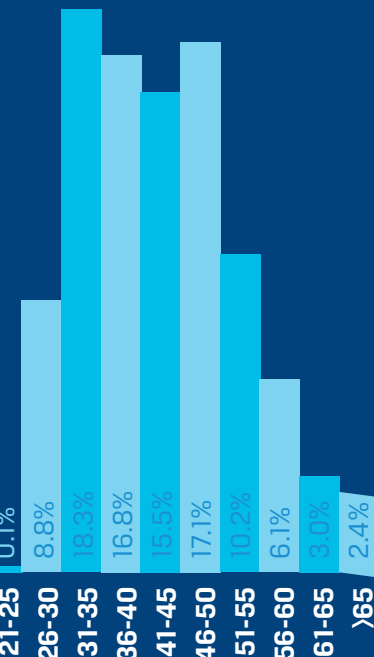
88%

Our members' engagement to the Society is reflected in our leading retention rates when compared to other global societies.

GENDER BREAKDOWN



MEMBER AGE RANGE



Our members are at their most professionally active age range.

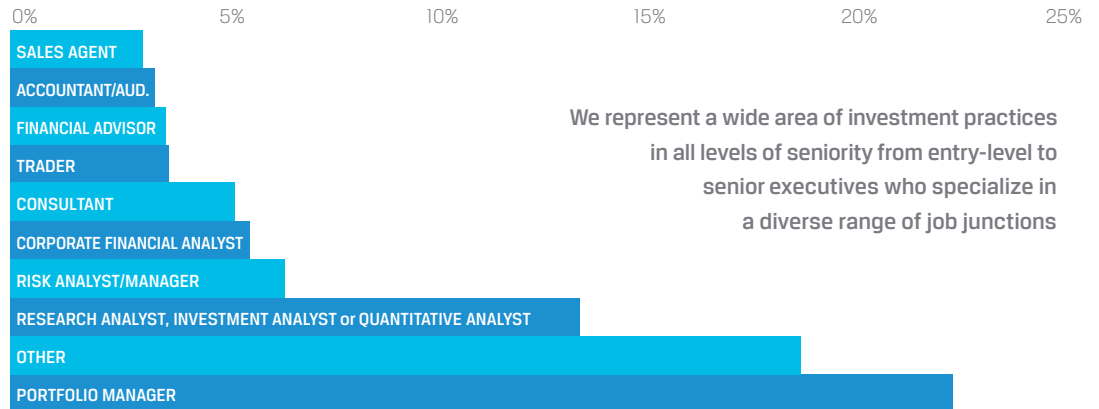
* 1.6% not provided

MEMBERSHIP

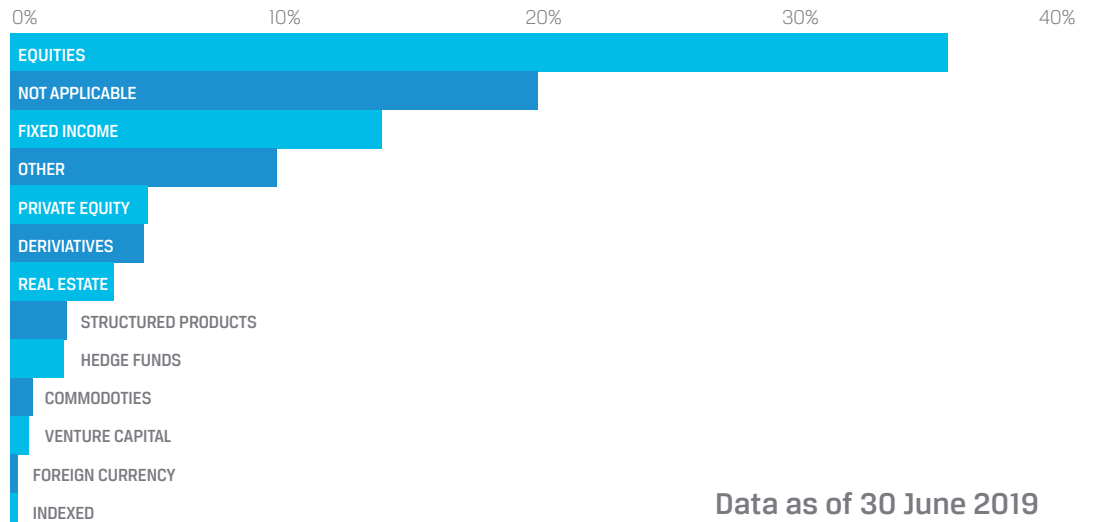
Our growing and diverse membership is reflective of the industry. With well over 10,000 members, we are Canada's largest Society of CFA charterholders and one of the world's top three Societies.



MEMBER JOB FUNCTION



PRIMARY INVESTMENT PRACTICE



Data as of 30 June 2019



MEMBER SERVICES

The Society's role is to support the professional and career development of our local members. We achieve this through our member services, which include continuing education credit programming, networking support, mentorship, and volunteer opportunities, and financial community engagement/outreach initiatives. Additionally, this year, the Society has also taken steps to improve the means with which we communicate with our members, to ensure our community's voice is heard and reflected in the services we offer. Keeping a steady pulse on our memberships gives the Society the knowledge to enable us to provide the most updated and relevant member service offerings possible.

EVENTS AND CONTINUING EDUCATION

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 knowledge 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
- Continuing education credits

Some of our marquee events this past year included:



On 02 November 2018, over 800 professionals from Toronto's investment community attended CFA Society Toronto's flagship event - The 2018 Annual Investment Dinner. The event returned to the Fairmont Royal York where guests heard from Host and MC, Andrew Willis, Business Columnist at the Globe and Mail, and the keynote and fireside chat experts Mark Wiseman, Senior Managing Director & Global Head of Active Equities at BlackRock, and Shelley O'Connor, Managing Director & Co-Head of Wealth at Stanley Morgan.



Keeping with tradition, members of the audience answered questions about the markets, economic growth, and their predictions for 2019.

The next global financial crisis will be triggered by:	
FANG meltdown	7.86%
ETF meltdown	14.85%
Trump Meltdown	28.82%
If I knew, would I come to this dinner?	48.47%

The percentage of managed AUM invested in index equities strategies in 2017 was 17.5%. What do you think this figure will be 5 years from now?	
< 10%	10.33%
17.5%	11.57%
25%	66.12%
> 50%	11.98%

If ETFs have been the fastest growing sector of the market for the past year, what's the next big thing in wealth management?	
Distressed debt	10.13%
Private equity	44.05%
Credit derivatives	10.57%
Active management - we're back!	35.24%

What do you think next year's S&P/TSX equity index will be?	
Less than 13,000 (last year's bears were wimps)	25.45%
In excess of 17,000 (the party's not over yet)	30.80%
Unchanged at 15,500	43.75%



ANNUAL CFA CHARTER RECOGNITION – CLASS OF 2018

On 08 February 2019, CFA Society Toronto welcomed our new charterholders to its membership. As a celebration of their achievement, CFA Society Toronto held the Annual CFA Charter Recognition event at Arcadian Court, along with this year's keynote speaker, Karl Cheong, CFA, Head of ETFs Canada for First Trust Portfolios Canada. The Class of 2018 was one of the Society's largest new CFA charterholder celebrations to date, attracting over 420 guests—which included graduates, and their family and friends—to share this monumental milestone achievement.

2019 ANNUAL PENSION CONFERENCE

On 28 March 2019, we hosted our Annual Pension Conference at the Toronto Board of Trade. The focus of this year's conference was on providing practitioners with the latest updates on issues affecting the Canadian pension industry and the markets where it invests, and we invited a series of speakers, knowledgeable in a range of various subjects. Our invitees shared their insights and provided perspectives on how practitioners can better negotiate adversity as we enter an environment with increased market volatility and uncertainty surrounding disruptive forces.

2019 ANNUAL WEALTH CONFERENCE

On 01 May 2019, we welcomed a panel of wealth management experts to our Annual Wealth Conference. We asked them to share their insights and to address the kinds of issues that come out of an increasingly volatile environment. In general, our speakers shared the same advice: as the role of advisors becomes more difficult, it's more important than ever to ensure clients understand the risks associated with their financial plans. Popular topics of the day included the following:

- How to communicate with your clients about risk;
- What risks keep high-net-worth investors up at night;
- The risk of not speaking to clients about topics like philanthropy and impact investing;
- A review of the latest tools and approaches to use in accessing a client's willingness and ability to take risk in their portfolio; and
- A discussion of the latest trends and structures required to meet clients' philanthropic objectives.

Visit cfatoronto.ca/events for our events and programming schedule.

MENTORSHIP PROGRAM

Our Mentorship Program has successfully matched over 500 Mentor and Protégé pairings since 2007. The program aims to pass on the knowledge and experiences of senior charterholders onto the future generation of the investment community. The program also offers an opportunity for participants to develop stronger leadership skills and networking opportunities. CFA Institute acknowledged the value this program offers to charterholders by honouring the Society with an Award for Innovation after the program's inaugural year.

How it works:

- Experienced mentors are assigned to motivated protégés for one calendar year on a one-to-one basis
- Mentors and protégés receive training at the annual program's launch in the form of an interactive presentation with an expert
- Participants are invited to exclusive career development and networking events, including resume, interview and personal branding workshops

MEMBER DISCOUNT PROGRAM

CFA Society Toronto members enjoy exclusive discounts and special offers through our Membership Discounts program. Discount partners include the Adelaide Club Toronto, ALF Group Services Inc., Brooks Brothers, the Ontario Science Centre, Ripley's Aquarium, Perkopolis, the Shangri-La Hotel Toronto, and Tempo Framing Systems. Stay up to date with the Affinity Program 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 daily and weekly, promoted via email and social media, 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.

COMMUNITY OUTREACH

This year we've continued our outreach efforts through our various sponsorship, awards and scholarship programs and brand building marketing initiatives. The goal of these outreach efforts is to educate and promote the values embodied in the CFA charter and to build meaningful connections with the finance community.



SPONSORSHIP & CORPORATE RELATIONS

Aligning with CFA Society Toronto through a corporate, event or facility sponsorship is an excellent way to enhance an organization's brand visibility amongst a unique 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.

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:

- the Annual Investment Dinner
- the Institutional investment Practitioners' Forum
- the CFA Charter Recognition Event
- the Annual Spring Pension Conference
- the Annual Wealth Conference
- the 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
- Vanguard Investments
- Sionna Asset Managers

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 SIONNA INVESTMENT MANAGERS

FACILITY SPONSOR



Sionna Investment Managers is an independent, privately owned investment management firm that manages assets on behalf of institutional and private clients. The firm strives to provide downside protection and deliver long-term, above-average returns by applying a disciplined value approach. More details at www.sionna.ca.

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.

CFA SOCIETY TORONTO & HILLSDALE CANADIAN INVESTMENT RESEARCH AWARD

The CFA Society Toronto Research & Hillsdale Investment Management Award was created to support and recognize the importance of quality academic and practitioner-relevant research. Fiscal year 2018/2019 award-winning paper is "Does Sub-advising Abroad Improve the Performance of International



(L-R): Michael Densmore, Dr. Pauline Shum-Nolan, and Chris Guthrie, CFA, President & CEO, Hillsdale Investment Management

Mutual Funds?" by Dr. Pauline Shum Nolan and Mr. Michael Densmore of York University and Dr. Markus Broman of Syracuse University. A panel of judges appointed by CFA Society Toronto determined the winning paper and the authors received a C\$10,000 prize.

"This year's winning paper is especially satisfying as the authors empirically demonstrate

that managers with a foreign presence do not have an information edge in international investing. This is especially important for Canadian managers competing for global equity mandates, as it suggests that they are not disadvantaged by being in Canada," said Chris Guthrie, CFA, president and CEO of Hillsdale Investment Management.

"Be local and think global is an important strategic takeaway for the Canadian money management industry from this year's award-winning paper," said Harry Marmer, CFA, executive vice-president of Hillsdale Investment Management. "This paper is representative of the numerous high-quality submissions that were received this year, and we are very proud to be working with CFA Society Toronto."

"My co-authors and I are delighted to be selected for the 2019 CFA Society Toronto & Hillsdale Canadian Investment Research Award. As researchers, we strive to balance practical relevance and academic rigour in our work," said Densmore. "We are extremely proud of the recognition from such well-respected organizations."

CFA INSTITUTE BRAND CAMPAIGN: LET'S MEASURE UP



We have worked closely with CFA Institute in their 2018 global brand campaign. The omnichannel marketing campaign was directed to high net worth individuals (HNWI) in our local region. The goal of the campaign was to educate HNWI on the values and professional competencies embodied in the CFA designation and create greater demand for CFA charterholders. This was achieved by driving traffic to a CFA Institute landing area, therightquestions.org. From this campaign we have engaged 14% of total visits since its launch in the third quarter of fiscal year 2018-2019. In the coming year, we plan to further reinforce key messaging with the information gathered from this campaign.

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): Neil Koehane, Morad Ben Rejeb, Denesia Nichols, Nabih El Masri, and Nicolas Tosi

This year's CFA Society Toronto Ethics Challenge local competition-winning students were from the University of Ottawa's Telfer School of Management. Neil Keohane, Denesia Nichols, Nabih el Masri, Mourad Ben Rejeb, Nicolas Tosi, and eloquently covered each ethical infraction in the case study during their presentation and the judges' Q&A.

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): Yacine Drissi Qeytoni, Sruthi Nair, Sharad Gopal, Shahzad Aziz Hussain, and Romel Sabat

This year's CFA Society Toronto and CFA Society Ottawa Research Challenge local competition winners were from the University of Waterloo's School of Accounting and Finance. Sharad Gopal, Shahzad Aziz Hussain, Sruthi Nair, Yacine Drissi Qeytoni and Romel Sabat delivered a comprehensive presentation on this year's subject company—BCE Bell Canada—with confidence and clarity that held the judges' attention.

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. Third-year finance or 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 as follows:



(L-R): Mitchell Ho and Michael Thom, CFA, CFA Society Toronto Board of Directors

FIRST PLACE (C\$3,000): Mitchell Ho, University of Waterloo

SECOND PLACE (C\$2,000): Reid Kilburn, Queen's University

THIRD PLACE (C\$1,000): Mark Nerland, Queen's University

VOLUNTEERING

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

2018/2019 VOLUNTEER SPOTLIGHT AWARDS



**NEIL J.
D'SOUZA, CFA**

We're excited to highlight our first Project Volunteer for our Society's Volunteer Spotlight Award. Neil has been an active Project Volunteer, participating as both an Event Assistant and a Program Assistant. Most recently, Neil has assisted our events team with the Society's annual Wealth Conference, supported our office administration with member communications, and helped with event registration and operations for one of Kaplan Schweser's CFA® preparation courses. Volunteers like Neil—who step up to assist the Society with short-term volunteer opportunities—allow our operations, programs, and events to run smoothly and successfully. We'd like to thank Neil for all of his time and efforts!



**CRAIG
GEOFFREY, CFA, MBA**

Starting as a member of the Kitchener-Waterloo Committee in 2014, and then becoming Chair in 2015, Craig was involved in delivering programming to local members. Migrating to the Awards and University Relations Committee in 2017, Craig assisted in the development of the committee's Student Ambassador Program and trained its participants. He also continues to judge Fellowship and CFA Society Toronto and Hillsdale Canadian Investment Research Award applications. Craig acts as the University Contact Lead for undergraduate students at the University of Toronto's St. George Campus. Craig has also spent several years volunteering as a Faculty Mentor for the CFA Institute's Research Challenge. Currently, Craig is the Vice-chair of the Awards and University Relations Committee and is excited to introduce new outreach opportunities. Thank you, Craig, for all that you do!



**PAUL
HAMILTON, CFA**

Paul has shared his passion for continuing education and professional development as a volunteer with the Society since 2014.

Beginning as a committee member and now currently Chair of the Professional Development Committee, Paul has helped cultivate creative programming for our members, focusing on critical "soft skills" like effective communication training, leadership, and negotiation. Thank you, Paul, for being an exemplary committee leader and team member!



**STEPHANIE
POON, CFA**

As a recipient of the CFA Institute's scholarship, Stephanie has always wanted to give back to both the Institute and her local CFA

society. She started volunteering with the Society in 2012 as a Mentor for the Mentorship Program, and since that time, has been an active Project Volunteer. Stephanie has been a meticulous panel judge a handful of times for our local CFA Institute Research Challenge competition and was tagged this year to represent our region as a judge for the regional Research Challenge competition held in New York City. We've also been grateful that Stephanie shared her speaking talents and has emceed for our Annual Awards Reception and will emceed for our upcoming New Member Reception. Thank you for your willingness to share your expertise and time making our programs run smoothly and our events welcoming to members.

MEET THE TEAM

2018/2019 BOARD MEMBERS



- CHAIR
Vadim Gracie, CFA, FRM, CIM, FCSI
- VICE CHAIR
Marcus Turner, 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
Amy Stephenson, CFA, CPA, CMA, MBA
- PROGRAMS VICE CHAIR
Kathrin Forrest, M.A. CFA
- OUTREACH
Steve Balaban, CFA
- MEMBERS-AT-LARGE
Robert Cultraro, CFA, CAIA, CIM
Sue Lemon, CFA
Christopher Sheridan, CFA
Camilla Sutton, CFA, MBA
Michael Thom, CFA, CAIA, CIM

Back Row (L-R): Camilla Sutton CFA, MBA; Christopher Sheridan CFA; Robert Cultraro, CFA, CAIA, CIM; Michael Thom, CFA, CAIA, CIM; Grace Cleary-Yu, CFA, M.Fin.
Front Row (L-R): Sue Lemon CFA; Vadim Gracie, CFA, FRM, CIM, FCSI; Pamela Steer CFA, FCPA, FCA; Amy Stephenson, CFA, CPA, CMA, MBA; Kathrin Forrest, CFA, M.A.
Absent from photo: Steve Balaban, CFA; Brenda King CFA, CPA, CA; Marcus Turner; CFA

2018-2019 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
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
Sue Lemon, CFA
Fred Pinto, CFA
Brian Shaw, CFA
Ron Schwarz, CFA
Chris Sheridan, CFA
Norma Summers
Marcus Turner, CFA
Olesya Zhovtanetska, CFA

MEMBERSHIP

- CHAIR
Brian Madden, CFA
- VICE CHAIR
Answerd Ramcharan, CFA
- MEMBERS
Mike Chung, CFA
We Hong, CFA
Andrew Ma, CFA
Andrew Morgan, CFA
Mary Anne Palangio, CFA
Sophie (Lianying) Ren, CFA

PROGRAMMING COMMITTEE VOLUNTEERS

CORPORATE FINANCE

CHAIR

Kevin Dickinson, CFA

VICE CHAIR

Kris Somers, CFA

LEAD

Mark Laing, CFA

MEMBERS

Alana Awad (Buckley), CFA

Fanny Doucet, CFA

David Fidler, CFA

Cherry (Jing Ru) Li, CFA

Angela Ma, CFA

Lee McNab, CFA

Suneil Ramesh, CFA

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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

VOLUNTEER RELATIONS MANAGER

Mike Duhamel

MARKETING & COMMUNICATIONS SPECIALIST

Jonathan Mai

PROGRAMS & EVENTS ASSOCIATES

Ashley Plume

Dawn Wong

SENIOR ADMINISTRATOR

Hannah Mooney

OFFICE ADMINISTRATOR

Courtney McNeillie

Back Row (L-R): Mike Duhamel, Jonathan Mai, Chris Burke, Alexandra Pegg, Courtney McNeillie

Front Row (L-R): Dawn Wong, Ashley Plume, Sue Lemon, CFA, Norma Summers, Jenny Yeo

Absent from photo: Valerie Weddell, Hannah Mooney

FINANCIAL STATEMENTS

Independent Auditor's Report

For the Year Ended June 30, 2019



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, 2019, 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, 2019, 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.

Other Matter

The prior period comparative information was audited by another auditor who expressed an unmodified opinion on that financial information in their report dated August 27, 2018.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

August 28, 2019

8DO Canada LLP, a Canadian limited liability partnership, is a member of 8DO 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

	2019	2018
Assets		
Current assets		
Cash	\$ 276,605	\$ 681,078
Short-term investments (Note 2)	2,706,611	1,573,053
Accounts receivable	191,982	187,679
Prepaid expenses	163,787	73,705
	3,338,985	2,515,515
Long-term investment (Note 2)	—	304,068
Capital assets (note 3)	801,859	990,370
Intangible assets (note 4)	222,511	259,380
	\$ 4,363,355	\$ 4,069,333
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 420,052	\$ 359,890
Unearned revenue (Note 6)	782,865	653,608
	1,202,917	1,013,498
Deferred capital contributions (note 7)	128,277	61,401
Deferred lease inducements (note 8)	605,901	729,134
	1,937,095	1,804,033
Net assets		
Investment in capital assets (note 9)	340,456	519,702
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	212,500
Unrestricted funds	262,004	121,798
	2,426,260	2,265,300
	\$ 4,363,355	\$ 4,069,333

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

	2019	2018
Revenue		
Membership dues	\$ 1,869,718	\$ 1,768,500
Program and sponsorship revenue	824,051	855,974
CFA Institute discretionary grants	610,512	561,467
Membership placement services	185,055	245,887
Facility services	86,546	74,474
Interest and miscellaneous income	64,747	43,887
Candidate education	43,594	7,368
Other member services	13,239	21,377
Member operations revenue	—	37,150
	\$ 3,697,462	\$ 3,616,084
Expenses		
Salaries and related benefits	1,516,631	1,343,880
Program expenses	518,197	564,944
Member operations expenses	403,225	351,976
Amortization of capital and intangible assets	326,811	291,790
Rent and utilities (note 8)	297,272	290,975
Professional services	152,726	220,328
Telecommunications and website	147,795	168,939
Marketing and development	91,028	127,911
Office and general	60,739	52,624
Meetings, conferences and honoraria	22,078	48,646
Moving costs	—	339
	3,536,502	3,462,352
Excess of revenues over expenses for the year	\$ 160,960	\$ 153,732

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

Statement of Changes in Net Assets

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 9)	(200,834)	—	—	—	—	361,794	160,960
Transfer to (from) internally restricted funds	—	—	—	—	200,000	(200,000)	—
Investment in capital assets (Note 9)	21,588	—	—	—	—	(21,588)	—
Balance - End of the year	\$ 340,456	\$ 940,000	\$ 371,300	\$ 100,000	\$ 412,500	\$ 262,004	\$ 2,426,260

For the year ended June 30, 2018

	Investment in capital assets	Stabilization reserve	Opportunities and technology reserve	Event cancellation reserve	Capital expenditures reserve	Unrestricted	Total
Balance - Beginning of the year	\$ 465,502	\$ 865,000	\$ 371,300	\$ 100,000	\$ 112,500	\$ 197,266	\$ 2,111,568
Excess (deficiency) of revenues over expenses (Note 9)	(167,284)	—	—	—	—	321,016	153,732
Transfer to (from) internally restricted funds	—	75,000	—	—	100,000	(175,000)	—
Investment in capital assets (Note 9)	221,484	—	—	—	—	(221,484)	—
Balance - End of the year	\$ 519,702	\$ 940,000	\$ 371,300	\$ 100,000	\$ 212,500	\$ 121,798	\$ 2,265,300

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

Statement of Cash Flows For the year ended June 30

	2019	2018
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 160,960	\$ 153,732
Items not affecting cash:		
Amortization of capital and intangible assets	326,811	291,790
Amortization of deferred capital contributions	(12,967)	(11,496)
Amortization of deferred lease inducements	(123,233)	(123,233)
	<hr/> 351,571	<hr/> 310,793
Changes in non-cash working capital:		
Accounts receivable	(4,303)	69,842
Prepaid expenses	(90,082)	69,416
Accounts payable and accrued liabilities	60,156	(337,254)
Unearned revenue	129,266	(30,804)
	<hr/> 446,608	<hr/> 81,993
Cash flows from investing activities		
Purchase of investments	(2,409,703)	(1,774,323)
Proceeds from sale of investments	1,580,209	1,749,754
Purchase of capital assets	(25,980)	(7,305)
Purchase of intangible assets	(75,451)	(214,179)
	<hr/> (930,925)	<hr/> (246,053)
Cash flows from financing activities		
Additions of deferred capital contributions	79,844	–
	<hr/>	<hr/>
Net decrease in cash	(404,473)	(164,060)
Cash , beginning of year	681,078	845,138
Cash , end of year	<hr/> \$ 276,605	<hr/> \$ 681,078

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

Notes to Financial Statements

June 30, 2019

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 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, 2019

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 net income. 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 net income.

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

Short-term investments are comprised of guaranteed investments certificates and savings accounts with interest rates from 1.50% to 2.68% (2018 - 1.20% to 2.05%) and maturity dates from August 6, 2019 to November 7, 2019 (2018 - August 4, 2018 to June 25, 2019).

Long-term investment, in the prior year, was comprised of a guaranteed investments certificate with interest rate of 1.50% and a maturity date of August 4, 2019.

Notes to Financial Statements (continued)

June 30, 2019

3. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 346,638	\$ 285,803	\$ 331,047	\$ 227,881
Furniture and fixtures	284,625	253,083	274,236	240,887
Leasehold improvements	1,022,643	313,161	1,022,643	168,788
	<u>1,653,906</u>	<u>852,047</u>	<u>1,627,926</u>	<u>637,556</u>
		\$ 801,859		\$ 990,370

4. Intangible Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	\$ 271,920	\$ 95,955	\$ 214,179	\$ 21,647
Website design	130,632	84,086	112,922	46,074
	<u>402,552</u>	<u>180,041</u>	<u>327,101</u>	<u>67,721</u>
		\$ 221,511		\$ 259,380

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances of \$2,300 (2018 - \$2,210).

6. Unearned Revenue

	2019	2018
Balance - beginning of year	\$ 653,608	\$ 684,412
Additions during the year	3,222,146	2,594,866
Amortized to revenue	<u>(3,092,889)</u>	<u>(2,625,670)</u>
Balance - end of year	\$ 782,865	\$ 653,608

7. 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:

	2019	2018
Balance - beginning of year	\$ 61,401	\$ 72,897
Additions during the year	79,843	-
Amortized to revenue	<u>(12,967)</u>	<u>(11,496)</u>
Balance - end of year	\$ 128,277	\$ 61,401

8. 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	2019 Total	2018 Total
Balance - beginning of year	\$ 668,647	\$ 60,487	\$ 729,134	\$ 852,367
Less lease inducements recognized in the year	<u>(113,010)</u>	<u>(10,223)</u>	<u>(123,233)</u>	<u>(123,233)</u>
Balance - end of year	\$ 555,637	\$ 50,264	\$ 605,901	\$ 729,134

Notes to Financial Statements (continued)

June 30, 2019

9. Investment in capital assets

Net assets invested in capital assets are calculated as follows:

	2019	2018
Capital assets (Note 3)	\$ 801,859	\$ 990,370
Intangible assets (Note 4)	222,511	259,380
Deferred lease inducements relating to leasehold improvements (Note 8)	(555,637)	(668,647)
Deferred capital contribution (Note 7)	(128,277)	(61,401)
	\$ 340,456	\$ 519,702

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

	2019	2018
Excess of expenditures over revenues		
Amortization of capital and intangible assets	\$ (326,811)	\$ (291,790)
Amortization of deferred lease inducements	113,010	113,010
Amortization of deferred capital contributions	12,967	11,496
	\$ (200,834)	\$ (167,284)
Investment in capital assets		
Capital and intangible assets acquired	\$ 101,431	\$ 221,484
Additions to deferred capital contribution	(79,843)	—
	\$ 21,588	\$ 221,484

10. 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:

2020	441,300
2021	449,000
2022	451,000
2023	451,000
2024	415,000
	2,207,300

11. Financial Instruments and Risk Management

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

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. Comparative figures

Certain prior year figures have been reclassified to conform to the current year's financial statement presentation.

