



**TO: Members and Supporters of the Actuarial Foundation of Canada**

**FROM: Board of Directors of the Actuarial Foundation of Canada (AFC)**

**SUBJECT: 2020/21 Annual Report**

**DATE: June 30, 2021**

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The Board of Directors of the AFC is pleased to present the Annual Report to Members and Supporters of the Foundation. Many exciting developments have occurred in the past year. This report provides a summary of activities undertaken by the AFC over this time. We hope that you are proud of the results that your Foundation has achieved!

### **THE AFC MISSION - HELPING CANADIANS**

The mission statement of the AFC says that the AFC will support youth financial literacy, education, and careers in actuarial and mathematical sciences. The following comments indicate how the AFC has met its mission in 2020/21.

The AFC distributed \$139,000 to the following charities in 2020/21. This level of program support was slightly less than budgeted as the Covid 19 pandemic seriously affected the operation of some charitable programs.

1. **Science and Mathematics in Action (\$10,000)** is a project coordinated by Laval University with a mandate to awaken and strengthen youth interest in science and mathematics. It supports the work of math, science and technology teachers by providing them access to interactive educational tools to demystify mathematics.
2. **Junior Achievement Canada (\$65,000)** provides quality financial literacy education to large numbers of students across Canada. The AFC supported activities in chapters in PEI, Nova Scotia, Quebec,

Ontario, Manitoba and Saskatchewan. In a separate AFC initiative, over 80 CIA members signed up in 2019 as volunteers to teach JA financial literacy courses.

3. **Pacific Institute for the Mathematical Sciences (\$15,000)** is a consortium of universities in Western Canada with an objective to sponsor high quality collaborative research projects in the mathematical sciences, to train highly qualified personnel, to develop industrial and interdisciplinary mathematics and to foster educational activities for students ranging from Kindergarten to grade 12. The AFC supported PIMS' work running teacher-training workshops focused on Indigenous and other at-risk students.
4. **Toronto Foundation for Student Success (\$12,000)** delivers after school programming for low income families in the GTA. The AFC sponsored a financial literacy program to help develop life-long skills.
5. **Canadian Mathematical Society's (\$15,000)** mission is to promote and advance the discovery, learning and application of mathematics. The AFC subsidized underrepresented students at regional and national math camps and math competitions for elementary and high school students. A special camp for Black students in Nova Scotia is planned for July 2021.
6. **Engineering Outreach (\$5,000)** is an extension of the Engineering Department of the University of Ottawa and provides STEM programs to youth. AFC provided workshops on mathematics and coding in schools in the Ottawa-Gatineau Region.
7. **Girl Guides of Canada (\$6,000 carried forward to 2021)** will apply AFC funding to provide three scholarships for grade 12 graduating female students pursuing post-secondary education in areas of mathematical, actuarial or computer science programs.
8. **The Verna J. Kirkness Science and Engineering Education Program (\$6,000)** addresses the under-representation of Indigenous students at Canadian universities by offering scholarships to Indigenous grade eleven students to spend one week in a campus research laboratory. During the week, students meet role models, learn about support systems on campus and experience the excitement of

doing research.

9. **Shad Canada (\$5,000)** empowers grade 10/11 students through live-in summer STEAM (science-tech-engineering-arts-math) and entrepreneurial experiences. Their enrichment program runs annually in July on university campuses across Canada. Students are immersed in an intense STEAM-based curriculum of lectures, labs and workshops-all designed to open their minds and broaden their perspectives about possible education, career paths and social and economic challenges

Through a generous donation from Joe Cheng, the AFC created the Actuarial Research Internship Program (ARIP) with a goal to encourage research projects undertaken by graduate and undergraduates at a Canadian university. The first award of \$15,000 was granted in 2020/21 to Ms. Zhuoxuan (Vanessa) Wu at the University of Waterloo) for her paper entitled, “On the Comparison of Distribution-Free Chain Ladder Reserve Estimates and Risk Adjustment Under the Framework of IFRS 17”. Vanessa was supervised by Ken Seng Tan), for her Masters thesis.

The AFC supports high school and university students to pursue math and actuarial education through the Hugh White Scholarship program, which the AFC administers, and the University of Manitoba James Anderson Bursary fund, which the AFC helped establish. From the Hugh White Fund, scholarships are presented to graduating students at London Central Secondary School and Erin District High School. The scholarships are awarded to students intending to pursue university programs in mathematical-related studies. Recipients are invited to attend the annual meeting of the Canadian Institute of Actuaries when it is in Toronto.

### **A NEW DIRECTION: SUPPORTING DIVERSITY, EQUITY AND INCLUSION**

In 2021, the AFC established the Equality of Opportunity Fund to promote diversity in the actuarial, mathematics & statistics, data management and computer science professions. The fund will provide scholarships to eligible Canadian students facing financial and societal barriers to attending their intended university or college program.

Annually, the Equality of Opportunity Scholarships (EOS) will provide awards of \$4-6,000 (University) and \$2-3,000 (College) to successful applicants for the duration of the student’s program, to a maximum of four years, provided that they meet the eligibility criteria described below:

1. Resident Black, Indigenous or People of Colour (BIPOC) Canadian student.
2. Accepted as a full-time student at a Canadian college or university.
3. Intent on pursuing a post-secondary degree in actuarial science, mathematics, statistics, data management or computer science.
4. Minimum grade of 2.8 (on maximum GPA of 4) or equivalent.

Each year, the recipients of the scholarships will be chosen based on the selection criteria. To qualify each student will have had to apply or be accepted into a Canadian university program leading to a degree in one of the eligible disciplines listed above.

The fund and scholarship program will be administered by the AFC with support from the CIA. The AFC will issue tax receipts, invest and manage all donations to the fund, promote the award among the actuarial community, and administer the annual distribution of the scholarships.

### **SUPPORTING THE WORK OF THE AFC**

The AFC receives financial support from individual members, corporations and professional actuarial organizations. On behalf of the many beneficiaries of the work of the AFC, the Board wants to express its appreciation for the generous support provided to the AFC. The Board and committees of the AFC are conscious of their responsibility and committed to make good use of funds provided.

The Canadian Institute of Actuaries, Casualty Actuarial Society and Society of Actuaries provide generous financial support to the AFC. The AFC is also grateful for the valuable administrative services that the CIA Secretariat provides.

Each fall, the AFC reaches out to individual actuaries to seek support for programs to be funded in the following year. The campaign in 2020 attracted 141 donors; a level that is double the positive results from 2019. Funds donated in 2020 (\$153,000) were not as large as those received in 2019 because of a particularly large single donation in 2019. The campaigns in 2019 and 2020 were the most successful in the history of the AFC. The growth in donors in 2020 positions the AFC to expand its work in future years.

The AFC reached out to corporations that employ actuaries in a much more focused manner in 2020/21. In particular, the AFC have encouraged financial

support for the EOS to launch this valuable extension to the AFC's programs. Results to date have been gratifying and add to our optimism for the future.

A list of donors for the civil year 2020 can be found in Appendix B. In addition, a list of the lifetime donations made can be found on the AFC website at [Donors – Actuarial Foundation of Canada \(afc-fac.ca\)](https://www.afc-fac.ca). Thank you so much for your support!

## **GOVERNANCE AND FINANCIAL ACCOUNTABILITY**

The AFC Board works closely with the CIA head office to ensure that appropriate financial procedures are in place and is committed to have full disclosure of its operations to Members and Supporters.

Appendix A contains an excerpt from the financial statements and shows the Balance Sheet at December 31, 2020 and the Income Statement for the year ending December 31, 2020. The accounting firm of BDO Canada audits the financial statements and provides the Board with an annual report of any significant discoveries. There were no significant items requiring attention in the review of operations at December 31, 2020.

Copies of the 2020 audited AFC financial statements and the 2021 Annual Member Report will be posted to the AFC website shortly after they are approved at the June 21, 2021 AFC member's meeting. Copies of the 2020 audited financial statements have been provided to the CIA. All required filings required by the CRA and the Canada Not for Profits Act are current.

The AFC Board conducts an annual budget process and has established a new financial benchmark to ensure sound and prudent operating guidelines, reflecting a new emphasis on putting donor's money to work sooner. Since most program spending must occur before next year's donations are received, it is important to have those funds on hand at the start of the year. The new financial benchmark is:

**Ratio of Unrestricted Assets to Program Spending:** This ratio compares unrestricted assets to next year's program spending budget, and under new targets this year should be between 100% and 120%. This ratio was 116.5% at December 31, 2020 in comparison to 133.9% at December 31, 2019.

The AFC Board will continue to monitor this ratio regularly.

In order to communicate effectively with its various audiences, the AFC maintains a well-designed website with the support of the CIA Head Office. The website is frequently updated to highlight AFC activities, Board membership, reports and new donors. In addition, a corporate presentation to encourage donors and a pamphlet describing our programs have been prepared. You are encouraged to visit our site at [Actuarial Foundation of Canada \(afc-fac.ca\)](http://Actuarial Foundation of Canada (afc-fac.ca))

### **PREPARING FOR THE FUTURE**

The AFC established a program spending budget for 2021-22 of \$177,500. This budget includes \$12,000 for the first year of the new Equality of Opportunity Scholarships.

The Board concluded that the current Vision and Mission statements did not fully reflect all of the activities of the AFC, particularly the equality scholarships. A working group has been created to bring forward revised statements to the 2021 AGM for approval. The group is considering adding a Values and Strategies statement.

New members have been added to the Audit and Finance, Communications, Fundraising and Youth Education Committees to help with the expanded activities of the AFC.

The Research Committee will update its approach to research grants to take advantage of lessons learned in the first award cycle.

The Audit and Finance Committee is in the process of revising the AFC's investment policy, financial metrics and reserves in order to expand granting capacity while maintaining financial prudence.

### **IN CONCLUSION**

The AFC is working hard on initiatives that hold considerable promise, especially in the field of youth financial literacy and math education where there is a strong link to the actuarial profession. Together with the AFC's ongoing programs, the AFC meets its philanthropic goals and promotes the positive image of the actuarial profession in youth education. As evidenced by the strong demand for support of youth education programs, the AFC is well positioned for future growth of all of its programs.

Respectfully submitted on behalf of the Board of the AFC,  
Rob Stapleford, FCIA, FSA,  
Chair of the Actuarial Foundation of Canada

## APPENDIX A: SUMMARY FROM 2020 FINANCIAL STATEMENTS

### ACTUARIAL FOUNDATION OF CANADA

| BALANCE SHEET (summarized view)                                     | 31-Dec-19       | 31-Dec-20       |
|---|-----------------|-----------------|
| <b>Assets</b>   |                 |                 |
| Cash  | \$2,008         | \$0,288         |
| Cash Restricted Funds   | \$6,350         | \$2,691         |
| Investments   | \$35,275        | \$46,853        |
| Investments Restricted Funds  | \$31,378        | \$54,223        |
| Contributions Receivable  | \$              | \$5,109         |
| Prepaid Expenses  | \$850           | \$850           |
| <b>Total Current Assets</b>   | <b>\$45,861</b> | <b>\$60,013</b> |
| <b>Current Liabilities</b>  |                 |                 |
| Accounts Payable and Accrued Liabilities                            | \$              | \$3,178         |
| Restricted Funds  | \$35,456        | \$37,006        |
| <b>Unrestricted Funds</b>   | <b>\$78,133</b> | <b>\$89,921</b> |
| <b>Total Current Liabilities, Restricted and Unrestricted Funds</b> | <b>\$45,861</b> | <b>\$60,013</b> |

## APPENDIX A: SUMMARY FROM 2020 FINANCIAL STATEMENTS

(continued)

### ACTUARIAL FOUNDATION OF CANADA

| INCOME STATEMENT (summarized view)   | 31-Dec-19        | 31-Dec-20        |
|--------------------------------------|------------------|------------------|
| <b>Revenue</b>                       |                  |                  |
| Donations from Individuals           | \$ 5,242         | \$ 6,614         |
| Donations from Corporate             | \$ 2,500         | \$ 2,000         |
| Contributions from CIA, SOA, and CAS | \$ 3,826         | \$ 5,109         |
| Contributions from Restricted Funds  | \$ 2,500         | \$ 7,500         |
| Contributions in Kind from CIA       | \$ 3,882         | \$ 6,665         |
| Interest                             | \$ 2,160         | \$ 2,209         |
| <b>Total Revenue</b>                 | <b>\$ 20,110</b> | <b>\$ 28,097</b> |
| <b>Expenses</b>                      |                  |                  |
| Student Math                         | \$ 31,700        | \$ 33,000        |
| Research Awards from ARIP            | \$ 5,000         | \$ 5,000         |
| Scholarships from Hugh White Fund    | \$ 2,500         | \$ 2,500         |
| Administrative Support               | \$ 6,386         | \$ 9,731         |
| Audit                                | \$ 5,085         | \$ 5,407         |
| Other Expenses                       | \$ 2,585         | \$ 2,671         |
| <b>Total Expenses</b>                | <b>\$ 60,256</b> | <b>\$ 68,309</b> |
| <b>Surplus (Deficit)</b>             | <b>\$ 9,854</b>  | <b>\$ 1,788</b>  |

## APPENDIX B: Donors to the Actuarial Foundation of Canada in 2020

The Foundation sincerely thanks the following individual and corporate contributors for their financial support in 2020:

|  |   |   |
|--|---|---|
| <b>\$25,000 and more</b>   | <b>\$500 to \$999</b>   | <b>\$200 to \$499</b>   |
| Canadian Institute of Actuaries<br>Society of Actuaries  | Bharmal, Shiraz<br>Brooks, Douglas<br>Gardner, John   | McIntosh, John & Monica<br>Ménard, Jean-Claude<br>Mongrain, Jean  |
| <b>\$10,000 to \$24,999</b>  | Gros, Barry<br>Hyland, Kathryn<br>Kaiser, Greg<br>MacNicholas, Garry  | Morency, Bernard<br>Nunes, Joe<br>Oakden, David<br>Ohannessian, Dikran  |
| Casualty Actuarial Society<br>Young, William   | McManus, Scott<br>Reaburn, Paul<br>Thibault, Alain<br>Whelan, Ellen   | Pelletier, A. David<br>Plouffe, Denis<br>Poapst, Douglas<br>Snell, James<br>Winokur, Paul   |
| <b>\$5,000 to \$9,999</b>  |   |   |
| Cooke, Alan<br>Eckler Ltd.<br>Giguère, Michel  |   |   |
| <b>\$2,000 to \$4,999</b>  | <b>\$200 to \$499</b>   | <b>\$100 to \$199</b>   |
| Dussault, Claude   | Austin, Mark<br>Boeckner, Robert  | Adam, Louis   |
| <b>\$1,000 to \$1,999</b>  | Bonnar, Stephen<br>Côté, Jean-Sébastien<br>Dionne, Micheline<br>Geretto, Gaetano<br>Gorham, Peter<br>Griffin, Timothy<br>Hampton, Richard<br>Hardy, Walter Grant<br>Hogeboom, Doug<br>Irshad, Naveed<br>Kirr, Martin<br>Lafleur, Jean<br>Lockridge, Karen<br>Marks, Josephine<br>McGaire, Scott | Adelson, Valérie<br>Babcock, Wafaa<br>Bilodeau, Claire<br>Bolduc, Réal<br>Boundy, Paul<br>Brouillette, Yves<br>Brown, Martin<br>Brown, Robert<br>Chamberland, Thierry<br>Drouin, Hugo<br>Dumas-Gélinas, Charlène<br>Ethier, Sébastien<br>Fraser, Ken<br>Gendron, Lina<br>Gold, Philip |
| Berendsen, Robert<br>Brown, Alex<br>Canada Life<br>Connor, Dean<br>Edwards, Allan<br>Friedland, Jacqueline<br>Giffen, Sharon<br>Intact Financial Corporation<br>Lacroix, Marthe<br>Luxton, Eileen<br>McInerney, Rosemary<br>Ricard, Denis<br>Shell, Arnold<br>Stapleford, Ruth and Rob |   |   |

## **APPENDIX B: Donors to the AFC in 2020 (continued)**

The Foundation sincerely thanks the following individual and corporate contributors for their financial support in 2020:

### **\$100 to \$199**

Hafeman, Michael  
 Hladun, Patricia  
 Hoffman, Jill  
 Hsu, Nicholas  
 Johnston, David  
 Jolliffe, Roger  
 Kopp, Steve  
 Le, Ngoc (Vy)  
 LeBlanc, France  
 Lepage, Pierre  
 Léveillé, Jean-Marc  
 Luckner, Warren  
 Marshall, Benjamin  
 Martel, Patrice  
 Panjer, Harry  
 Pazdor, Charles  
 Pothier, Philip  
 Praznik, Krizsia  
 Prince, Steve

### **\$100 to \$199**

Rausch, Rick  
 Robinson, Josephine  
 Rowan, Shari  
 Saucier, Alain  
 Shock, Sandra  
 Stackhouse, Brock  
 St-Amour, André  
 Steinke, Lloyd  
 Thompson, Kathleen  
 Williams, Tony  
 Wilson, Debbie  
 Zwicker, Lisa

### **\$10 to \$99**

Alcott, Susan  
 Duffy, Neil  
 Duranleau, Mathieu  
 Gauthier, Claude  
 Hamel, Emmanuel

### **\$10 to \$99**

Henry, Patrick  
 Houde, Louis-Marie  
 Jonkans, Angela  
 Kernisant, Marc-Édouard  
 Lam, Carrie  
 Lingyu Li, Anita  
 MacMillan, Bill  
 Millard, Ken & Mary  
 Nguyen, Khan  
 Pelly, Brian  
 Primeau, Jean-Claude  
 Shapira, Allan  
 St-Georges, Sylvain  
 Toop, Geoffrey

Anonymous: 19 individuals