

Financial Statements of

The AIMCo Foundation for Financial Education

Year ended December 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of The AIMCo Foundation for Financial Education (“the Foundation”) for the year ended December 31, 2021 have been prepared by management and approved by the Board of Directors. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and within the framework of significant accounting policies summarized in the notes to the financial statements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of donations and other revenue;
- safeguard the assets and properties under the Foundations’ administration.

The Foundation carries out its responsibility for the financial statements through its Board of Directors. The Board of Directors meets with management and KPMG LLP to review financial matters, and to approve the financial statements upon finalization of the audit. KPMG LLP has free access to the Board of Directors.

KPMG LLP provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures, which allow them to report on the fairness of the financial statements prepared by management.

[Original Signed by Kevin Uebelein]

Kevin Uebelein

Board Chair

The AIMCo Foundation for Financial Education

May 18, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The AIMCo Foundation for Financial Education.

Opinion

We have audited the financial statements of The AIMCo Foundation for Financial Education (the Foundation), which comprise:

- the statement of financial position as at December 31, 2021
 - the statement of operations for the year then ended
 - the statement of changes in net assets for the year then ended
 - the statement of cash flows for the year then ended
 - and notes to the financial statements, including a summary of significant accounting policies
- (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that tapers to a point on the right side.

Chartered Professional Accountants

Edmonton, Canada

May 18, 2022



The AIMCo Foundation for Financial Education

Statement of Operations

For the year ended December 31, 2021 with comparative information for 2020

Revenue

Contributions (Note 3, 5)

Expenses

Programs

Administration

Excess of revenue over expenses

| | 2021 | 2020 |
|--|-------------------|------------------|
| | | |
| | \$ 437,121 | \$ 342,473 |
| | 437,121 | 342,473 |
| | | |
| | 278,000 | 233,324 |
| | 33,756 | 20,084 |
| | 311,756 | 253,408 |
| | \$ 125,365 | \$ 89,065 |

The accompanying notes are part of these financial statements.



The AIMCo Foundation for Financial Education

Statement of Changes in Net Assets

For the year ended December 31, 2021 with comparative information for 2020

| | Internally | | 2021 | 2020 |
|---------------------------------|------------|--------------|------------|------------|
| | Restricted | Unrestricted | Total | Total |
| Net assets, beginning of year | \$ 144,000 | \$ 219,492 | \$ 363,492 | \$ 274,427 |
| Excess of revenue over expenses | | 125,365 | 125,365 | 89,065 |
| Interfund transfer (Note 6) | (9,000) | 9,000 | - | - |
| Net assets, end of year | \$ 135,000 | \$ 353,857 | \$ 488,857 | \$ 363,492 |

The accompanying notes are part of these financial statements.



The AIMCo Foundation for Financial Education

Statement of Cash Flows

For the year ended December 31, 2021 with comparative information for 2020

Cash provided by (used in):

Operating activities:

| | 2021 | 2020 |
|---|-------------|-------------|
| Excess of revenue over expenses | \$ 125,365 | \$ 89,065 |
| | 125,365 | 89,065 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | 7,265 | (8,129) |
| Accounts payable and accrued liabilities | 45,176 | 169,213 |
| | 177,806 | 250,149 |
| Increase in cash | 177,806 | 250,149 |
| Cash, beginning of year | 516,801 | 266,652 |
| Cash, end of year | \$ 694,607 | \$ 516,801 |

The accompanying notes are part of these financial statements.



Notes to the Financial Statements

For the year ended December 31, 2021

1. Purpose of the Foundation

The AIMCo Foundation for Financial Education (the “Foundation”), a not-for-profit organization, was incorporated under the Canada Not-for-profit Corporations Act on January 25, 2018. The purpose of the Foundation is to advance financial education through grants to charities providing financial literacy education and scholarships to students pursuing an education in a financial field.

The Foundation’s commitment to make a bigger and more meaningful impact on the advancement of financial education is fulfilled through:

- financial support for registered charities offering financial literacy services;
- funding scholarships for students pursuing an academic career related to finance;
- voluntary services and in-kind support of financial education programs mostly provided by employees of Alberta Investment Management Corporation (“the Corporation”).

The Foundation meets the requirements for tax-exempt status as a registered charity under the Income Tax Act (Canada).

2. Summary of Significant Accounting Policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

(a) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Under this method, unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

(b) Cash

Cash represents cash on hand and cash in the bank.

(c) Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Notes to the Financial Statements

For the year ended December 31, 2021 (continued)

2. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

Financial assets are assessed for impairment on an annual basis at the end of the fiscal period if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Allocation of Expenses

The Foundation classifies expenses in the statement of operations by function. Expenses are allocated to the functional areas of programs and administration based on the level of benefits received by each function.

(e) Contributed Services

The work of the Foundation is accomplished by a significant contribution of voluntary services. The Foundation does not record the value of volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously; therefore, no value has been included in these financial statements as the fair value is not determinable.

(f) Use of Estimates

The preparation of the Foundation's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. Contributions

Contributions are comprised of the following:

| | 2021 | 2020 |
|--------------------------|-------------------|-------------------|
| Donations - corporations | \$ 306,979 | \$ 243,570 |
| Donations - individuals | 93,428 | 60,230 |
| Fundraising events | 36,714 | 38,673 |
| | <u>\$ 437,121</u> | <u>\$ 342,473</u> |

Notes to the Financial Statements

For the year ended December 31, 2021 (continued)

4. Allocation of Expenses

The Foundation classifies expenses in the statement of operations by function. The Foundation allocates certain costs by identifying the appropriate basis of allocating and applying that basis consistently.

| | | | 2021 | | 2020 | |
|-------------------------------|-------------------|------------------|-------------------|--|-------------------|--|
| | Programs | Administration | Total | | Total | |
| Scholarships and grants | \$ 278,000 | \$ - | \$ 278,000 | | \$ 233,324 | |
| Insurance | - | 7,950 | 7,950 | | 6,900 | |
| Audit fees | - | 8,426 | 8,426 | | 6,898 | |
| Bank fees | - | 3,737 | 3,737 | | 1,979 | |
| Other administrative expenses | - | 13,643 | 13,643 | | 4,307 | |
| | \$ 278,000 | \$ 33,756 | \$ 311,756 | | \$ 253,408 | |

5. Related Party Transactions

Related parties of the Foundation are the Board members of the Foundation and select management and staff of the Corporation that make up the Foundation's various committees, who have a direct impact on the daily operations of the Foundation. These transactions with related parties are recorded at the exchange amount agreed to by the related parties.

6. Commitments

The Foundation has cumulative funding commitments of \$135,000 (2020 - \$144,000), as approved by the Board of Directors. This balance represents a surplus in internally restricted net assets, designated by the Board mainly to a few educational institutions in Alberta to fund student scholarships over the next three years.

7. Financial Risk Management

The Foundation has a risk management framework to monitor, evaluate and manage the principal risks assumed in its financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The Foundation does not use derivative financial instruments.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of interest-bearing instruments resulting in favorable or unfavorable variance compared to book value. Interest rate risk is mitigated by managing maturity dates and payment frequency. Credit risk is managed by investing only with accredited chartered banks and by dealing with reputable and creditworthy counterparties.

It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk arising from its financial instruments.



8. Additional Information to Comply with the Disclosure Requirement of Charitable Fundraising Act and Regulation

No amounts were paid as remuneration to a fundraising business.