

Financial Statements of

**KING'S UNIVERSITY COLLEGE
FOUNDATION AT THE UNIVERSITY OF
WESTERN ONTARIO**



KPMG LLP





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 Entity's internal control.

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Operations and Changes in Fund Balances

Year ended April 30, 2022, with comparative information for 2021

	Operating Fund	Restricted Fund (Schedule 1)	Endowment Fund (Schedule 2)	2022 Total	2021 Total
Revenues:					
Donations	\$ 103,491	\$ 721,353	\$ 50,947	\$ 875,791	\$ 1,330,106
Investment income (loss) (note 4)	233,177	(76,566)	-	156,611	2,062,189
Subsidy (note 2)	122,400	-	-	122,400	122,400
Special events	62,387	-	-	62,387	34,681
	<u>521,455</u>	<u>644,787</u>	<u>50,947</u>	<u>1,217,189</u>	<u>3,549,376</u>
Expenditures:					
Awards	1,000	327,224	-	328,224	254,940
Salaries and benefits	262,169	-	-	262,169	271,628
Gifts to King's University College	103,491	96,910	-	200,401	1,618,083
Administrative	72,144	-	-	72,144	36,486
Investment counsel fees	71,364	-	-	71,364	59,453
Special events	24,947	-	-	24,947	1,693
Annual campaign	14,045	-	-	14,045	23,665
Sundry	2,655	-	-	2,655	6,032
	<u>551,815</u>	<u>424,134</u>	<u>-</u>	<u>975,949</u>	<u>2,271,980</u>
Excess (deficiency) of revenue over expenditures	(30,360)	220,653	50,947	241,240	1,277,396
Fund balances, beginning of year	143,105	4,195,320	7,617,000	11,955,425	10,678,029
Interfund transfers	-	(24,999)	24,999	-	-
Fund balances, end of year	\$ 112,745	\$ 4,390,974	\$ 7,692,946	\$ 12,196,665	\$ 11,955,425

See accompanying notes to financial statements.

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements

Year ended April 30, 2022

King's University College Foundation at The University of Western Ontario (the "Foundation") is an incorporated entity which was founded to raise and manage funds for King's University College at The University of Western Ontario (the "King's University College").

The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) of the Income Tax Act (Canada), (the "Act"). As such, it is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a public foundation registered under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting. The financial statements of the Foundation are maintained in accordance with the restricted fund method of accounting. Accordingly, all financial transactions have been recorded in three funds: Operating Fund, Restricted Fund and Endowment Fund.

The Operating Fund accounts for revenue and expenditures involved in the administration of the Foundation. The Operating Fund reports unrestricted resources available for immediate purposes.

The Restricted Fund accounts for the receipt and expenditure of donations for specified purposes.

The Endowment Fund accounts for amounts that are to be maintained in perpetuity. Investment income from the Endowment Fund is allocated to the Restricted Fund.

(b) Revenue recognition:

All donations and bequests are recorded as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts in kind are recorded at their estimated fair market value on the date of their donation.

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2022

1. Significant accounting policies (continued):

(c) Use of estimates:

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

(d) Investments:

Funds available for investment from the Restricted Fund and Endowment Fund are invested in pooled funds which are managed by an external fund manager. The Foundation records its investments in pooled funds at fair value using unit values supplied by the fund administrator, which represents the Foundation's proportionate share of the underlying net assets at fair values determined using closing market prices. Pooled fund distributions, realized gains or losses and the change in unrealized gains or losses on investments are recorded as investment income in the statement of operations.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments are subsequently measured at fair value. All other 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.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year 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

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2022

2. Related party transactions:

Revenues of the Foundation are received by, and expenditures are paid by, King's University College on behalf of the Foundation, giving rise to an ongoing amount receivable from or payable to King's University College. The amount due from King's University College at April 30, 2022 is \$138,956 (2021 - \$52,323) and is unsecured, non-inte

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF
WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2022

4. Investments (continued):

(b) Investment income (loss):

2022	Operating Fund	Restricted Fund	Total
Distributions Realized	\$ 233,177	\$ 516,623	\$ 749,800

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2022

5. Pledges:

The estimated value of donations which have been pledged but not received as at April 30, 2022 was \$4,517,850 (2021 - \$4,714,601). These amounts are not reflected in the financial statements of the Foundation. The collection of pledges is expected to occur as follows:

2023	\$	122,406
2024		432,927
2025		460,415
2026		312,684
2027 and subsequent		

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2022

6. Financial instruments (continued):

(b) Financial risks (continued):

(ii) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to investments. Investments are invested in accordance with the Foundation's investment policy.

(iii) Market price risk:

Market price risk is the risk that value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all other factors affecting all instruments traded in the market. All of the Foundation's investments are carried at fair value with fair value changes recognized in the statement of operations. Market price risk is managed by the investment managers through construction of a diversified portfolio of instruments traded on various markets and across various industries.

(iv) Interest rate risk:

A portion of the Foundation's financial assets and liabilities are interest bearing and as a result, the Foundation is subject to interest rate risk. In general, bond returns are sensitive to changes in the level of interest rates, with longer bond prices being more sensitive to interest rate changes than shorter term bonds.

Fixed rate instruments subject the Foundation to a fair value risk while the floating rate instruments subject the Foundation to a cash flow risk.

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule 1 - Restricted Fund

Year ended April 30, 2022

	Balance, beginning of year	Gifts and other revenues	Investment income	Awards	Transfers	Gifts to King's University College	Balance end of year
Restricted Fund:							
Building Faith, Building Futures:							
Library	\$ 575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575
Awards	100,871	32,050	-	(13,950)	(32,207)	(7,000)	79,764
Library	1,034,963	1,785	-	-	-	(20,238)	1,016,510
Library acquisitions	4,326	-	-	-	-	-	4,326
General restricted donations	69,500	24,237	-	(1,738)	-	(6,048)	85,951
Campus Ministry	40,550	4,743	-	-	-	-	45,293
Jean Vanier Research							
Centre-Excellence	35,366	-	-	-	-	(2,000)	33,366
Pine Chanel	4,402	-	-	-	-	-	4,402
Refugee	28,839	6,825	-	-	-	-	35,664
Humanitarian Scholarship	-	31,600	-	-	-	-	31,600
Mental Health Initiatives	16,589	10,000	-	-	-	(12,077)	14,512
Bell Let's Talk	25,500	-	-	-	-	(6,894)	18,606
Debating and public speaking	11,695	-	-	-	-	-	11,695
Student Emergency Funds	34,807	12,502	-	-	-	(7,950)	39,359
BIPOC (LCF)	7,523	-	-	-	-	(2,300)	5,223
SAFE Prog (LCF)	6,628	2,675	-	-	-	(6,104)	3,199
Student life campaign:							
Student Centre	-	-	-	-	-	-	-
Imagine the Future (SPS)	1,178,950	581,171	-	-	-	-	1,760,121
Income from Endowed Fund:							
Building Faith, Building Futures:							
Scholarships and bursaries	27,200	-	10,289	(6,500)	-	-	30,989
Accessibility							

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule 2 - Endowment Fund

Year ended April 30, 2022

	Balance, beginning of year	Gifts and other revenues	Transfers	Balance, end of year
Endowed Fund:				
Building Faith, Building Futures:				
Scholarships and bursaries	\$ 243,096	\$ 150	\$ (19,850)	\$ 223,396
Accessibility	46,924	-	-	46,924
Pastoral leadership	46,228	-	-	46,228
Ontario Student Opportunity Trust Fund (Schedule 3)	1,773,388	-	-	1,773,388
Ontario Trust for Student Support (Schedule 4)	4,385,772	2,670	-	4,388,442
Sisters of St. Joseph	222,667	-	19,850	242,517
Endowed Chair - Catholic Jewish Centre	13,575	-	-	13,575
Wemple Fund	41,369	-	-	41,369
Faculty Student Aid Fund	30,160	-	-	30,160
St. Peter's Bursary	10,361	-	-	10,361
KUCSC Class 2020	57,000	-	-	57,000
Goutor	31,579	1,100	-	32,679
Peace Camp	201,675	-	-	201,675
Havelka Katz	7,630	-	-	7,630
Indigenous Student Award	-	12,800	24,999	37,799
Hayhoe	75,067	-	-	75,067
Hugh Mellon	20,900	-	-	20,900
Noel Fund	10,105	-	-	10,105
McMahon	25,000	-	-	25,000
Awards	374,504	34,227	-	408,731
	\$ 7,617,000	\$ 50,947	\$ 24,999	\$ 7,692,946

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule 3 - Ontario Student Opportunity Trust Fund (OSOTF)

Year ended April 30, 2022

	OSOTF I	OSOTF II	Total
Changes in Endowment Fund balance:			
Fund balance, beginning of year	\$ 1,022,591	\$ 750,797	\$ 1,773,388
Donations received	-	-	-
Fund balance, end of year	\$ 1,022,591	\$ 750,797	\$ 1,773,388
Changes in expendable funds available for awards:			
Balance, beginning of year	\$ 58,505	\$ 43,337	\$ 101,842
Investment income net of direct investment-related expenses and preservation of capital contributions	42,136	31,213	73,349
Bursaries awarded - OSOTF I - 43 and OSOTF II - 30 (2021 - 43 and 30)	(47,685)	(35,323)	(83,008)
Balance, end of year	\$ 52,956	\$ 39,227	\$ 92,183

KING'S UNIVERSITY COLLEGE FOUNDATION AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule 4- Ontario Trust for Student Support (OTSS)

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Changes in Endowment Fund balance:		
Fund balance, beginning of year	\$ 4,385,772	\$ 4,381,162
Cash donations received	2,670	4,610
Transfers	-	-
Fund balance, end of year	\$ 4,388,442	\$ 4,385,772
Changes in Expendable Funds available for awards:		
Funds available for awards:		
Balance, beginning of year	\$ 268,056	\$ 243,037
Investment income, net of direct investment - related expenses and preservation of capital contributions	182,238	181,922
Cash donations received	100	-
Transfers	-	-
Bursaries awarded - 133 (2021 - 133)	(198,511)	(156,903)
Balance, end of year	\$ 251,883	\$ 268,056