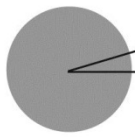


**UKRAINIAN ORTHODOX CHURCH OF CANADA FOUNDATION**

**Financial Statements**

**September 30, 2020**



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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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### **To the Members of Ukrainian Orthodox Church of Canada Foundation:**

We have reviewed the accompanying financial statements of Ukrainian Orthodox Church of Canada Foundation which comprise the statement of financial position as at September 30, 2020 and the statements of revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

We have reviewed the accompanying financial statements of Ukrainian Orthodox Church of Canada Foundation which comprise the statement of financial position as at September 30, 2020 and the statements of revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Practitioner's Responsibility for the Financial Statements*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Ukrainian Orthodox Church of Canada Foundation as at September 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants  
1515 One Lombard Place  
Winnipeg MB R3B 0X3  
March 24, 2020

## Statement of Financial Position

Year Ended September 30, 2020

	2020			2019
	Operating Fund	Restricted Fund	Total	Total
<b>ASSETS</b>				
CURRENT ASSETS				
Cash	\$ 20,015	\$ -	\$ 20,015	\$ 1,248
Goods and services tax recoverable	2,968	-	2,968	2,299
Prepaid expenses	-	-	-	2,708
	<b>22,983</b>	<b>-</b>	<b>22,983</b>	<b>6,255</b>
AMOUNT DUE FROM UKRAINIAN ORTHODOX CHURCH OF CANADA (Note 4)	-	437,091	437,091	437,091
INVESTMENTS (Note 3)		1,904,482	1,904,482	1,846,676
	<b>\$ 22,983</b>	<b>\$ 2,341,573</b>	<b>\$ 2,364,556</b>	<b>\$ 2,290,022</b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,600	\$ -	\$ 1,600	\$ 21,600
Interfund balance (Note 8)	21,383	(21,383)	-	-
	<b>22,983</b>	<b>(21,383)</b>	<b>1,600</b>	<b>21,600</b>
<b>NET ASSETS</b>				
UNRESTRICTED	-	-	-	-
INTERNALLY AND EXTERNALLY RESTRICTED (Schedule 2)	-	2,362,956	2,362,956	2,268,422
	<b>-</b>	<b>2,362,956</b>	<b>2,362,956</b>	<b>2,268,422</b>
	<b>\$ 22,983</b>	<b>\$ 2,341,573</b>	<b>\$ 2,364,556</b>	<b>\$ 2,290,022</b>

APPROVED BY THE BOARD

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## UKRAINIAN ORTHODOX CHURCH OF CANADA FOUNDATION

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## Statement of Operations and Changes in Net Assets

Year Ended September 30, 2020

	2020			2019		
	Operating Fund	Restricted Fund	Total	Operating Fund	Restricted Fund	Total
<b>REVENUE</b>						
Donations and receipts						
Other	\$ -	\$ 3,102	\$ 3,102	\$ -	\$ 5,754	\$ 5,754
UOCC parish closures (Note 6)	-	-	-	-	-	-
Unrealized investment gains (losses)	-	(50,806)	(50,806)	-	14,154	14,154
Investment income	-	182,076	182,076	-	121,481	121,481
	-	134,372	134,372	-	141,389	141,389
<b>EXPENDITURES (Schedule 1)</b>	<b>21,373</b>	<b>18,465</b>	<b>39,838</b>	49,807	14,641	64,448
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(21,373)</b>	<b>115,907</b>	<b>94,534</b>	(49,807)	126,748	76,941
<b>NET ASSETS - BEGINNING OF YEAR</b>	-	2,268,422	2,268,422	(37,129)	2,228,610	2,191,481
INTERFUND TRANSFER (Note 5)	163,611	(163,611)	-	106,840	(106,840)	-
FUND ALLOCATION (Note 7)	(142,238)	142,238	-	(19,904)	19,904	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,362,956</b>	<b>\$ 2,362,956</b>	<b>\$ -</b>	<b>\$ 2,268,422</b>	<b>\$ 2,268,422</b>

## Statement of Cash Flows

Year Ended September 30, 2020

	2020			2019		
	Operating Fund	Restricted Fund	Total	Operating Fund	Restricted Fund	Total
<b>OPERATING ACTIVITIES</b>						
Cash received from members and contributors	\$ -	\$ 3,102	\$ 3,102	\$ -	\$ 5,754	\$ 5,754
Cash paid as grants and expenses to suppliers	(39,334)	(18,465)	(57,799)	(30,694)	(14,641)	(45,335)
Investment income received	-	182,076	182,076	-	121,481	121,481
Cash flow from (used by) operating activities	(39,334)	166,713	127,379	(30,694)	112,594	81,900
<b>INVESTING ACTIVITY</b>						
Increase in investments	-	(108,612)	(108,612)	-	(162,707)	(162,707)
<b>FINANCING ACTIVITIES</b>						
Advances from Ukrainian Orthodox Church of Canada	-	-	-	-	80,307	80,307
Change in interfund balance	(56,742)	56,742	-	(56,742)	56,742	-
Interfund transfers	21,373	(21,373)	-	86,936	(86,936)	-
Cash flow from (used by) financing activities	(35,369)	35,369	-	30,194	50,113	80,307
<b>DECREASE IN CASH</b>	(74,703)	93,470	18,767	(500)	-	(500)
CASH - BEGINNING OF YEAR	1,248	-	1,248	1,748	-	1,748
<b>CASH - END OF YEAR</b>	<b>\$ (73,455)</b>	<b>\$ 93,470</b>	<b>\$ 20,015</b>	<b>\$ 1,248</b>	<b>\$ -</b>	<b>\$ 1,248</b>

# UKRAINIAN ORTHODOX CHURCH OF CANADA FOUNDATION

## Notes to Financial Statements

Year Ended September 30, 2020

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### 1. ENTITY

The Ukrainian Orthodox Church of Canada Foundation (the "Foundation") was established on September 17, 2002, receiving contributed capital donations, bequests or other properties for the advancement of The Ukrainian Orthodox Church of Canada. The Foundation is incorporated under the Laws of Canada and is a registered charity with the Canada Revenue Agency.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Foundation's operating activities.

The Restricted Fund accounts for various internal and external contributions for student scholarships and missionary projects.

#### Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

General donations and bequests are recorded as revenue when received and unless specifically restricted by the donor, all contributions are considered to be available for unrestricted use.

#### Donated services

A large number of individuals have contributed significant amounts of time to the activities of the Foundation in furthering the Foundation's programs and objectives. No amounts have been included in the financial statements for donated member services inasmuch as these services are not normally purchased by the Foundation and because there is no objective basis available to measure the value of such services.

#### Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains and losses are recorded in current year excess of revenue over expenditures and are not transferred to the Operating Fund. Investment income, net of investment management fees is transferred annually from the Restricted Fund to the Operating Fund.

(continues)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments

The Foundation's financial instruments consist of cash, amounts due from Ukrainian Orthodox Church of Canada, investments, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant currency or credit risks arising from these financial instruments.

All financial instruments are initially recorded at fair value, and other than investments (as disclosed above), all financial instruments are subsequently reported at amortized cost. Transaction costs are expensed as incurred.

Financial risk is the risk that arises from fluctuations in interest and market rates, and the degree of volatility of those rates. The Foundation is exposed to financial risk as a result of its investments. The Foundation does not use derivative instruments to reduce its exposure to interest risk. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. There has been no significant change to financial risk from the prior year.

The carrying value of cash, amounts due from Ukrainian Orthodox Church of Canada, and accounts payable and accrued liabilities approximate their fair value due to the near-term maturity of those instruments.

The fair value of investments are disclosed in Note 3.

### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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## 3. INVESTMENTS

	<u>2020</u>	<u>2019</u>
Shevchenko Foundation Scholarship Funds, at market value (cost - \$402,276.59; 2019 - \$3365,498)	<b>\$ 391,897</b>	\$ 368,746
Shevchenko Foundation Managed Funds, at market value (cost - \$1,553,010; 2019 - \$1,467,024)	<b>1,512,584</b>	1,477,930
	<b><u>\$ 1,904,481</u></b>	<b><u>\$ 1,846,676</u></b>

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#### 4. RELATED PARTY TRANSACTIONS

The following is a summary of the Foundation's related party transactions:

<u>Related party transactions</u>	<u>2020</u>	<u>2019</u>
Ukrainian Orthodox Church of Canada		
Advertising	\$ -	\$ -
Grants	-	(1,000)
UOCC parish closures (Note 6)	-	-
	<u>\$ -</u>	<u>\$ (1,000)</u>

The Foundation is related to the Ukrainian Orthodox Church of Canada (the "Church") by virtue of the Church's ability to appoint members to its governing board. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the Church.

By resolution of the 2015 SOBOR, a portion of proceeds obtained by the Church during the closure of a member parish is remitted to the Foundation. Prior to the 2015 SOBOR, the total net proceeds on the closure of a member parish would be subject to a 20% withholding fee by the Church and 80% of the remaining proceeds would be remitted to the Foundation within two years of the receipt of the funds. Subsequent to the 2015 SOBOR, 34% of the total net proceeds received from the closure of a member parish are remitted to the Foundation within two years of receipt of the funds.

The Church provides management and administrative services to the Foundation for no consideration.

The Church owes the Foundation \$437,091 at September 30, 2020 (2019 - \$4374,091) as a result of the following parish closures:

	<u>2020</u>	<u>2019</u>
Chatham Parish	\$ 49,805	\$ 49,805
New Westminster Parish	335,821	335,821
Oyen Parish	5,376	5,376
St. Peter and Paul Parish	3,306	3,306
The Pas Parish	3,365	3,365
Waterford Parish	35,246	35,246
Welland Parish	4,172	4,172
	<u>\$ 437,091</u>	<u>\$ 437,091</u>

This amount is non-interest bearing with no set terms of repayment. The New Westminster Parish closure was subject to the revenue allocation formula instituted previous to the 2015 SOBOR. All parish closures subsequent to the New Westminster Parish closure have been subject to the revenue allocation resolved at the 2015 SOBOR. The Foundation has waived the requirement for the Church to remit parish closure funds within two years for the fiscal year ended September 30, 2020.



#### 5. INTERFUND TRANSFER

The interfund transfer of \$163,611 represents investment income of \$182,076, less investment management fees of \$18,465 relating to investments held in the Restricted Fund.

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#### 6. PARISH CLOSURES

As resolved at the 2005 SOBOR, when a parish of the Ukrainian Orthodox Church of Canada is dissolved, a portion of the net proceeds received from its closure are to be transferred to the Foundation for the purpose of opening a mission parish within five years following dissolution in the city or general area of the dissolved parish. Interest earned on the funds is restricted for missionary purposes. Subsequent to five years, the funds will be transferred to the General Endowment Fund. Net proceeds of \$nil (2019 - \$nil) were allocated to the Foundation in 2020.

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#### 7. FUND ALLOCATION

As resolved by the Board, the remaining net assets of the Operating Fund at the end of the year are to be transferred to the Restricted Fund and proportionally allocated to each Fund other than the Closed Parishes Fund.

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#### 8. INTERFUND BALANCE

The interfund balance is non-interest bearing and has no set repayment terms.

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## Expenditures

Schedule 1

Year Ended September 30, 2020

	2020	2019
<b>OPERATING FUND</b>		
Advertising	\$ -	\$ -
Conferences	769	1,307
Insurance	2,708	2,554
Grants	5,171	31,327
Office expense	69	318
Professional fees	8,775	8,564
Telephone	-	-
Travel	3,881	5,737
	<b>\$ 21,373</b>	<b>\$ 49,807</b>
<b>RESTRICTED FUND</b>		
Management fees	\$ 18,465	\$ 14,641
Parish closure expenses	-	-
	<b>\$ 18,465</b>	<b>\$ 14,641</b>

UKRAINIAN ORTHODOX CHURCH OF CANADA FOUNDATION

Restricted Fund

Schedule 2

Year Ended September 30, 2019

	2019	Donations, Receipts and Other Revenue	Transfers	2020
<b>HIERARCHY-CLERGY FAMILY FUNDS</b>				
Archbishop Stinka Fund	\$ 1,415	\$ -	\$ 125	\$ 1,540
Makarenko Family Fund	5,980	-	527	6,507
Metropolitan Wasyly Family Fund	21,582	-	1,901	23,483
Rt. Rev. Fr. Hryhory and Dobr Maria Wasyliv Endowment Fund	35,334	-	3,112	38,446
Rt. Rev. Orest Hudyma Fund	1,193	-	105	1,298
Udod Family Fund	674	-	59	733
	<u>66,178</u>	<u>-</u>	<u>5,829</u>	<u>72,007</u>
<b>LAITY FAMILY FUNDS</b>				
Andriy Sirko-Galouchenko Fund	1,088	-	96	1,184
Chewchuk Family Fund	545	-	48	593
Hyshka Fund	109	-	10	119
John M. & Elizabeth N. Prokipchuk Fund	72,984	-	6,429	79,413
Mykola & Dina Hetmanczuk Family Fund	5,936	-	523	6,459
	<u>80,662</u>	<u>-</u>	<u>7,106</u>	<u>87,768</u>
<b>SCHOLARSHIP FUNDS</b>				
Mrs. Anna Kulgavchuk Scholarship Fund	140,309	-	12,359	152,668
Mr. and Mrs. M. Kowal Scholarship Fund	7,876	-	694	8,570
Rev. S.W. Sawchuk Scholarship Fund	49,586	-	4,368	53,954
W.D. Kitzan Scholarship Fund	15,698	-	1,383	17,081
Very Rev. Dr. F. Kernisky Scholarship Fund	14,106	-	1,243	15,349
	<u>227,575</u>	<u>-</u>	<u>20,046</u>	<u>247,621</u>
<b>UKRAINIAN ORTHODOX CHURCH OF CANADA</b>				
Effie Bodnar - Trust Fund	14,877	-	1,310	16,187
General Endowment Fund	1,222,334	3,102	107,946	1,333,382
	<u>1,237,211</u>	<u>3,102</u>	<u>109,256</u>	<u>1,349,569</u>
<b>CLOSED PARISHES FUND</b>				
Chatham Parish Fund	49,805	-	-	49,805
Oyen Parish Fund	5,376	-	-	5,376
St. Peter and Paul Parish Fund	3,306	-	-	3,306
Waterford Parish Fund	135,246	-	-	135,246
New Westminster Parish Fund	335,821	-	-	335,821
Welland Parish Fund	84,479	-	-	84,479
The Pas Parish Fund	51,419	-	-	51,419
	<u>665,452</u>	<u>-</u>	<u>-</u>	<u>665,452</u>
<b>Subtotal</b>	2,277,078	3,102	142,238	2,422,418
<b>UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>	(8,656)	(50,806)	-	(59,462)
	<u>\$ 2,268,422</u>	<u>\$ (47,704)</u>	<u>\$ 142,238</u>	<u>\$ 2,362,956</u>