

CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
DECEMBER 31, 2021

CANADIAN FOUNDATION FOR UKRAINIAN STUDIES

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canadian Foundation for Ukrainian Studies:

Qualified Opinion

We have audited the accompanying financial statements of Canadian Foundation for Ukrainian Studies, which comprise the statement of financial position as at December 31, 2021, and the statement of operations and changes in net assets, and cash flow for the year then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Foundation for Ukrainian Studies as at December 31, 2021, and the results of its operations and its cash flow for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Canadian Foundation for Ukrainian Studies derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from this source was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess revenue of expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2021, was modified accordingly because of the possible effects of this limitation in scope.

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 organization 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 qualified 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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 organization'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 organization'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 organization 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 representing the underlying transactions and events in a manner that achieved 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.


**Winnipeg, Manitoba
June 11, 2022**

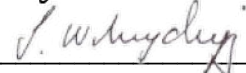
Fort Group
**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Cash	\$ 282,880	17,480
Accounts receivable	2,214	3,197
GST/HST receivable	2,799	2,461
Prepaid expenses	<u>3,009</u>	<u>2,531</u>
	290,902	25,669
INVESTMENTS (Notes 2(b) and 6)	3,506,454	3,048,700
TANGIBLE CAPITAL ASSETS (Notes 2(c) and 4)	<u>1,137</u>	<u>718</u>
	<u>\$ 3,798,493</u>	<u>3,075,087</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,256	6,045
Government payroll remittances payable	<u>50</u>	<u>840</u>
	<u>7,306</u>	<u>6,885</u>
NET ASSETS		
Unrestricted General Fund	735,478	647,280
Internally Restricted Fund (Schedule 1)	1,433,500	1,203,463
Externally Restricted Fund (Schedule 2)	<u>1,622,209</u>	<u>1,217,459</u>
	<u>3,791,187</u>	<u>3,068,202</u>
	<u>\$ 3,798,493</u>	<u>3,075,087</u>

APPROVED BY THE BOARD:


 _____ Director


 _____ Director

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

	2021				2020			
	Unrestricted General Fund	Internally Restricted Funds (Schedule 1)	Externally Restricted Funds (Schedule 2)	Total	Unrestricted General Fund	Internally Restricted Funds (Schedule 1)	Externally Restricted Funds (Schedule 2)	Total
REVENUE								
Realized investment income	\$ 28,888	50,706	51,161	130,755	25,372	39,370	40,700	105,442
Donations (Schedule 3)	11,399	23,561	201,264	236,224	22,991	3,506	294	26,791
Sale of prints	150	-	-	150	-	-	-	-
CFUS membership dues	325	-	-	325	325	-	-	325
Royalty income	388	-	-	388	150	-	-	150
Administration fee earned	6,880	-	-	6,880	5,551	-	-	5,551
Miscellaneous income	-	-	-	-	901	-	-	901
Unrealized gain (loss) on investments	111,733	211,224	215,555	538,512	(16,245)	(30,448)	(31,941)	(78,634)
	<u>159,763</u>	<u>285,491</u>	<u>467,980</u>	<u>913,234</u>	<u>39,045</u>	<u>12,428</u>	<u>9,053</u>	<u>60,526</u>
EXPENSES								
Administration	40,897	-	-	40,897	45,686	-	-	45,686
Board	1,836	-	-	1,836	1,985	-	-	1,985
Grants and scholarships	18,000	55,454	73,910	147,364	3,000	44,039	87,254	134,293
Fundraising	152	-	-	152	14	-	-	14
	<u>60,885</u>	<u>55,454</u>	<u>73,910</u>	<u>190,249</u>	<u>50,685</u>	<u>44,039</u>	<u>87,254</u>	<u>181,978</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	98,878	230,037	394,070	722,985	(11,640)	(31,611)	(78,201)	(121,452)
NET ASSETS, BEGINNING OF YEAR	647,280	1,203,463	1,217,459	3,068,202	664,195	1,235,074	1,290,385	3,189,654
TRANSFER (Note 3(c)(ii))	(10,680)	-	10,680	-	(5,275)	-	5,275	-
NET ASSETS, END OF YEAR	<u>\$ 735,478</u>	<u>1,433,500</u>	<u>1,622,209</u>	<u>3,791,187</u>	<u>647,280</u>	<u>1,203,463</u>	<u>1,217,459</u>	<u>3,068,202</u>

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ 722,985	(121,452)
Add non-cash item(s):		
Amortization of tangible capital assets	404	239
Realized loss (gain) on sale of investments	(16,073)	9,676
Unrealized loss (gain) on investments	<u>(538,512)</u>	<u>78,634</u>
	168,804	(32,903)
Change in non-cash working capital:		
Accounts receivable	983	512
GST/HST receivable	(338)	-
Prepaid expenses	(478)	237
Accounts payable and accrued liabilities	1,211	(350)
Government payroll remittances payable	<u>(790)</u>	<u>120</u>
	<u>169,392</u>	<u>(32,384)</u>
INVESTING ACTIVITIES		
Purchases of tangible capital assets	(822)	-
Proceeds from the sale of investments	324,189	235,895
Purchase of investments	<u>(227,359)</u>	<u>(259,343)</u>
	<u>96,008</u>	<u>(23,448)</u>
CHANGE IN CASH	265,400	(55,832)
CASH, BEGINNING OF YEAR	<u>17,480</u>	<u>73,312</u>
CASH, END OF YEAR	<u>\$ 282,880</u>	<u>17,480</u>

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

1. PURPOSE OF THE FOUNDATION

The Canadian Foundation for Ukrainian Studies (the "Foundation") was incorporated in 1975 under the Canada Corporations Act as a not-for-profit Foundation registered under the provisions of the Income Tax Act for the purpose of promoting Ukrainian studies in Canada. Effective February 3, 2014, the Foundation continued corporately under the new Canada Not-for-profit Corporations Act with no changes to its aims and objectives. The Foundation administers various funds which promote scholarly studies, publications and conferences through grants, fellowships and awards.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The safety measures to combat COVID-19 (Coronavirus) and the government response continue to evolve and change quickly. It is management's opinion that the Organization has adequately adapted to the impact of this pandemic and will continue to maintain operations for the foreseeable future. While management will continue to monitor and evaluate the implications of the pandemic, it is difficult to predict the extent and duration this pandemic could have on the future finances and operations of the Organization.

The financial statements include the following significant accounting policies:

(a) Fund Accounting

The Foundation accounts for its operations using fund accounting (refer to Note 3 for a description of the funds).

(b) Investments

All funds held are pooled in investments and the income earned is allocated on the basis of the value of each fund in proportion to the total funds.

(c) Tangible Capital Assets

Tangible capital assets consisting of office equipment and computers is recorded at cost. Amortization is provided on the straight-line basis at the following rates:

Office equipment	10 years
Computers	5 years

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue Recognition

The Foundation follows the restricted fund method in recognizing contributions.

- (i) Restricted contributions are recognized as revenue in the corresponding fund to which they relate in year of receipt. Unrestricted contributions that are not bequests are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All bequests, if undirected, go to the Endowment Fund.
- (ii) Investment income is recognized on a time proportionate basis. Investment income earned on pooled investments is allocated to each of the corresponding funds based upon their respective percentage of assets invested.
- (iii) Administration fees are recognized as revenue based upon 5% of investment income recorded in year.

(e) Contributed Services and Donated Materials

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(f) Accounting Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 expenses during the year. Estimates include amounts payable for services not billed yet at the time these financial statements were approved and the useful life of capital assets. Actual results may differ from estimates.

(g) Financial Instruments

Financial instruments held by the Foundation include cash, accounts receivable, investments, accounts payable, accrued liabilities and appropriated funds payable. The Foundation initially measures its financial instruments at fair value when the asset or liability is first recognized. The Foundation subsequently measures cash, accounts receivable, appropriated funds payable and accounts payable and accrued liabilities at cost or amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment. The Foundation measures investments at fair value without any adjustments for transaction costs that may incur on sale or other disposal, with gains and losses recognized in operations.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

3. DESCRIPTION OF FUNDS

(a) Unrestricted General Fund

The Unrestricted General Fund accounts for the Foundation's program delivery and administrative activities and accounts for unrestricted contributions to the Foundation. The appropriation of resources from the Unrestricted General Fund is made by majority motion of the Foundation Board's Executive Committee, and ratified by the Board of Directors. Appropriations are made to designate and set aside funds for specific commitments approved by the Board.

(b) Internally Restricted Funds

(i) Endowment Fund

This fund has been established to set aside estate and memorial donations received by the Foundation. The investment income earned on the donations may be used at the discretion of the Foundation's Board of Directors.

(ii) Scholarly Publications Program Fund

This fund was established by the Board in 2009 to support the Foundation's existing Scholarly Publications Program whose purpose is to provide financial assistance for the publication of scholarly works in the field of Ukrainian Studies. In 2016, the Board increased the annual amount available for disbursement from \$6,500 to \$8,000 with a cap of \$6,500 per recipient (or half the cost of publication, whichever is less). The grant(s) is/are issued directly to the publisher(s) of the selected publication(s). The monies for this fund came from the former Presidents' Memorial Scholarship Fund which was terminated by Board resolution in October 2004.

(iii) Dr. Robert F. Clark Bequest Fund

This fund was established thanks to a bequest by Dr. Robert Clark, a long-time director of the Foundation, in the amount of \$212,350 with the purpose of supporting Ukrainian studies at Canadian universities.

In 1997, the Board of Directors appropriated and transferred \$100,000 from the Dr. Robert F. Clark Bequest Fund to the University of Toronto to endow the "Robert Franklin Clark (CFUS) Graduate Fellowship in Ukrainian Language and Literature" which along with a matching grant of \$200,000 from the University of Toronto provides an annual fellowship of approximately \$15,000 for an MA or PhD student working in Ukrainian language and/or literature. The University of Toronto manages and awards the Fellowship.

The balance of the monies in the Clark Bequest Fund is currently used to support the Ukrainian Canadian Program carried out at the Kule Ukrainian Canadian Studies Centre at the Canadian Institute of Ukrainian Studies, University of Alberta. The value of the annual grant is determined by the annual revenue generated by the fund.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

3. DESCRIPTION OF FUNDS (Continued)

(iv) Danylo Husar Struk Memorial Fund

This fund was established in 1999 by an appropriation of \$10,000 from CFUS's Unrestricted General Fund and increased since then through ongoing donations from the family and the public. It was set up to memorialize Danylo Husar Struk, a professor of Ukrainian literature at the University of Toronto, by supporting the study of Ukrainian literature at the University of Toronto.

In 2009, \$100,000 was appropriated from this fund and transferred to the University of Alberta to set up the Danylo Husar Struk and Oksana Pisetska Struk Endowment Fund in order to take advantage of a matching funds program. In 2018, the Foundation learned that the matching program was terminated and the Struk Fund would not be matched.

The purpose of the Struk Endowment Fund at the University of Alberta is to support the Danylo Husar Struk Program in Ukrainian Literature currently offered by the Canadian Institute of Ukrainian Studies (CIUS) at its University of Alberta and University of Toronto offices. The Endowment Fund is managed by the University of Alberta while CIUS determines and manages the disbursement of monies from said fund.

CFUS continues to maintain the original Struk Memorial Fund to receive donations intended to support the study of Ukrainian Literature at the University of Toronto or to enhance the Struk Endowment Fund at the University of Alberta.

(c) Externally Restricted Funds

(i) The Bohdan Medwidsky Fund

This fund was established in 2017 with a donation from Dr. Bohdan Medwidsky to support the study of Ukrainian culture and traditions undertaken at the Kule Folklore Centre at the University of Alberta. This fund generates the annual Bohdan Medwidsky Grant issued to the Kule Folklore Centre for allocation. The first grant was issued in 2019.

(ii) Osyp and Josaphat Neporany Education Fund

Pursuant to the last will and testament of Osyp and Josaphat Neporany, CFUS received the principal sum of \$200,000 to establish the Osyp and Josaphat Neporany Education Fund. The fund is used to support the Neporany Graduate Fellowship that is awarded annually to a scholar carrying out research in the areas of political science, economics, and related fields (pertaining to Ukraine). CFUS manages the fund while the Canadian Institute of Ukrainian Studies administers the Graduate Fellowship. The value of the annual Fellowship is \$20,000.

The fund was augmented by a \$10,680 (2020 - \$5,275) transfer from the Unrestricted General Fund in 2021.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

3. DESCRIPTION OF FUNDS (Continued)

(iii) Michael Kowalsky and Daria Mucak-Kowalsky Fund (1)

This fund was established in 2002 pursuant to the wishes of Daria Mucak Kowalsky and stipulates that 70% of its annual income be used for scholarships to needy students of the specified universities in Ukraine and 30% of its income to be used by the said universities for their international academic relations.

(iv) Holowacz Family Fund

This fund was established in 1994 pursuant to the wishes of Z. S. Holowacz to support the Y.A. Holowacz Collection at the Kyiv-Mohyla University in Ukraine. The fund issues an annual grant to the University.

(v) S. Bubniuk Fund

This fund was established in 1994 to provide annual awards to students in journalism. The terms of reference are currently under review.

(vi) The General Pavlo Shandruk and Olha Shandruk Endowment Fund

This fund was established in 2011 with a donation from the Brotherhood of Veterans of the First Division UNA. The purpose of the fund is to support scholarly research that deals with Ukrainian military history, in general, and/or with the involvement of Ukrainians in World War II, in particular. For the first ten years, this annual grant is to be issued to the IEU Project at CIUS for such work. Subsequently, CFUS may continue directing the annual grant to the IEU Project or may identify another recipient that satisfies the fund's criteria.

(vii) Peter and Olya Savaryn Fund

This fund was established in 1997 with monies from the CFUS General Fund that were matched by Olya Savaryn and increased since then with donations from family and the public. Activated in 2014, this fund generates the Peter and Olya Savaryn Award issued annually to the Canadian Institute of Ukrainian Studies (CIUS) to support scholarly activities. CIUS determines the specific allocation of the Award.

(viii) Curkowskyj Fund

Established in 1998 by a donation from Christine Curkowskyj, this fund was activated in 2015. As designated by the donor, this fund issued a fixed annual grant of \$5,000 to support scholarly research activities undertaken by the Ukrainian Canadian Research and Documentation Centre. This fund was fully exhausted with the issuance of the 2020 grant. It is not being renewed.

(ix) George Luckyj Fund

This fund was established in 1998 to support a biennial award for translation of Ukrainian literature into English.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

3. DESCRIPTION OF FUNDS (Continued)

(x) Wirsta Fund

This fund was established in 2004 to award MA and PhD students in communications/journalism or media studies at Canadian universities in recognition of scholarly work done on a topic related to Canada's Ukrainian community. The terms of reference are currently under review.

(xi) The Ukrainian Senior Citizens Home of Taras H. Shevchenko (Windsor) Inc. Fund (USCHTHS)

In 2018, CFUS received a donation of \$400,000 from the trustees of the Ukrainian Senior Citizens Home of Taras H. Shevchenko (Windsor) Inc. home. The donor trustees directed that the \$400,000 be used to create two separate funds, each valued at \$200,000. One was to be maintained and managed by CFUS while the second was to be established at the University of Alberta.

The sole purpose of each fund is to support the Internet Encyclopedia of Ukraine (IEU) Project and, specifically, the work that is performed in Ontario, at the Toronto office of the Canadian Institute of Ukrainian Studies where the IEU project is housed. Monies from the funds are not to be used for rent expenses.

The fund residing at CFUS is to issue an annual grant of \$40,000 to the IEU Project, starting in 2019, until the fund has been totally exhausted. As at December 31, 2021, \$120,000 has been paid out (2020 - \$80,000).

The second fund was established as an endowed fund at the University of Alberta. A formal agreement between CFUS and the University of Alberta was finalized in February 2019 and CFUS transferred \$200,000 to the University at that time. The University manages this second fund and issues annual grants to the IEU Project as per the signed agreement.

(xii) Michael Kowalsky and Daria Mucak-Kowalsky Fund (2)

This fund was established in 2021 by a generous bequest from Daria Mucak-Kowalsky. It is intended to foster Ukrainian and Ukrainian-Canadian studies at Canadian universities by (1) providing scholarships at the master and doctoral levels for needy and/or meritorious students, (2) financing the publication of Ukrainian and Ukrainian-Canadian books and journals regarding Ukrainian and Ukrainian-Canadian history, (3) assisting exchange lecturers and professors, and (4) presenting Ukrainian and Ukrainian-Canadian books and publications to libraries. The fund will be activated after at least 12 months have passed since the monies were received by CFUS.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

4. TANGIBLE CAPITAL ASSETS	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Office equipment	\$ 3,734	3,734	3,734	3,734
Computer	<u>2,019</u>	<u>882</u>	<u>1,197</u>	<u>479</u>
	<u>5,753</u>	<u>4,616</u>	<u>4,931</u>	<u>4,213</u>
Net book value	\$ <u>1,137</u>		<u>718</u>	

Amortization expense for the year ended December 31, 2021 is \$239 (2020 - \$239) and is included in administration expense on the statement of operations and changes in net assets.

5. COMMITMENTS

In 2018, the Foundation approved a 3-year commitment to the Internet Encyclopedia of Ukraine project at the Canadian Institute of Ukrainian Studies (CIUS), University of Alberta to provide an annual grant in the amount of \$25,000 (payable in 2018, 2019 and 2020). Additionally, the Foundation has agreed to pay any additional funds based on a matching funds agreement whereby the Foundation will match private donations collected in each of 2018, 2019 and 2020 to a maximum of \$25,000 per year. The matching funds portion is to be paid out respectively in 2019, 2020 and 2021 upon receipt of a donations report for the previous year. The total commitment made is a minimum of \$75,000 to a maximum of \$150,000 over a 4-year period. During 2021, the final matching funds payment of \$4,300 (2020 - \$27,450) was paid out. With that payment, this 3-year commitment was completed.

In June 2021, the Foundation Board approved a new 3-year commitment to the Internet Encyclopedia of Ukraine project at the Canadian Institute of Ukrainian Studies (CIUS), University of Alberta by pledging an annual grant of \$40,000 (payable in 2021, 2022 and 2023). Additionally, the Foundation has agreed to pay any additional funds based on a matching funds agreement whereby the Foundation will match private donations collected in each of 2021, 2022 and 2023 to a maximum of \$10,000 per year. The matching funds portion is to be paid out respectively in 2022, 2023 and 2024 upon receipt of a donations report for the previous year. The total commitment made is a minimum of \$120,000 to a maximum of \$150,000 over a 4-year period. During 2021, the first payment of \$40,000 was paid out.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

6. FINANCIAL RISK MANAGEMENT

(a) Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities, and appropriated funds payable. Accounts payable and accrued liabilities are paid in the normal course of business and except under certain exceptions, no later than one month.

The Foundation's approach to managing liquidity risk is to manage its cashflow to ensure it will always have sufficient liquidity to meet liabilities when due. At December 31, 2021, the Foundation has a cash balance of \$282,880 (2020 - \$17,480). It is management's opinion that most of the Foundation's investment portfolio is liquid enough to cover any of this risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject the Foundation to credit risk and concentrations of credit risk consist principally of accounts receivable.

Management manages credit risk associated with accounts receivable by pursuing collections when they are due. Management manages credit risk associated with bonds by following a prudent investment management policy.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; foreign currency risk, interest rate risk and other price risk. The Foundation is not subject to foreign currency risk.

(i) Interest rate risk

Interest rate cash flow risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments. Interest rate price risk is the risk that changes in market interest rates may have an effect on the fair value of other financial instruments. It is management's opinion that the Foundation is exposed to interest rate price risk due to its investment in fixed rate bonds in its portfolio.

The Foundation mitigates interest rate price risk by diversifying in mutual funds consisting of government and corporate bonds.

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

6. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. It is management's opinion that the Foundation is exposed to other price risk due to its investment in bonds and mutual funds in its portfolio.

The Foundation manages price risk with respect to investments that have the potential to affect its operating and financial performance by following its Investment Policy and investing in diversified mutual funds. A breakdown of the Foundation's investments is as follows:

	<u>2021</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>% of Portfolio</u>
<u>Equities:</u>			
ETFs & mutual funds	\$ 403,553	432,951	12.3 %
Canadian equities	2,288,211	2,849,960	81.3 %
United States equities	24,603	89,723	2.6 %
Real estate investment trusts	<u>164,402</u>	<u>133,820</u>	<u>3.8 %</u>
	<u>\$ 2,880,769</u>	<u>3,506,454</u>	<u>100.0 %</u>
	<u>2020</u>		
	<u>Cost</u>	<u>Market Value</u>	<u>% of Portfolio</u>
<u>Equities:</u>			
ETFs & mutual funds	\$ 660,971	680,248	22.4 %
Canadian equities	2,097,543	2,183,565	71.6 %
United States equities	24,603	67,619	2.2 %
Real estate investment trusts	<u>178,410</u>	<u>117,268</u>	<u>3.8 %</u>
	<u>\$ 2,961,527</u>	<u>3,048,700</u>	<u>100.0 %</u>

CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
INTERNALLY RESTRICTED FUNDS - STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021

	2021					
	Endowment Fund	Scholarly Publications Program Fund	Dr. Robert F. Clark Bequest Fund	Danylo Husar Struk Memorial Fund	Unrealized Gain (Loss)	Total
REVENUE						
Investment income	\$ 36,463	7,258	6,638	347	-	50,706
Donations	19,431	-	-	4,130	-	23,561
Unrealized gain/(loss) on investments	-	-	-	-	211,224	211,224
	<u>55,894</u>	<u>7,258</u>	<u>6,638</u>	<u>4,477</u>	<u>211,224</u>	<u>285,491</u>
EXPENSES						
Grants and scholarships	<u>44,800</u>	<u>6,500</u>	<u>4,154</u>	-	-	<u>55,454</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	11,094	758	2,484	4,477	211,224	230,037
NET ASSETS, BEGINNING OF YEAR	<u>854,268</u>	<u>170,043</u>	<u>155,521</u>	<u>8,113</u>	<u>15,518</u>	<u>1,203,463</u>
NET ASSETS, END OF YEAR	<u>\$ 865,362</u>	<u>170,801</u>	<u>158,005</u>	<u>12,590</u>	<u>226,742</u>	<u>1,433,500</u>

CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
INTERNALLY RESTRICTED FUNDS - STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021

	2020					
	Endowment Fund	Scholarly Publications Program Fund	Dr. Robert F. Clark Bequest Fund	Danylo Husar Struk Memorial Fund	Unrealized Gain (Loss)	Total
REVENUE						
Investment income	\$ 28,306	5,706	5,193	165	-	39,370
Donations	546	-	-	2,960	-	3,506
Unrealized gain/(loss) on investments	-	-	-	-	(30,448)	(30,448)
	<u>28,852</u>	<u>5,706</u>	<u>5,193</u>	<u>3,125</u>	<u>(30,448)</u>	<u>12,428</u>
EXPENSES						
Grants and scholarships	<u>29,540</u>	<u>8,000</u>	<u>6,499</u>	-	-	<u>44,039</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(688)	(2,294)	(1,306)	3,125	(30,448)	(31,611)
NET ASSETS, BEGINNING OF YEAR	<u>854,956</u>	<u>172,337</u>	<u>156,827</u>	<u>4,988</u>	<u>45,966</u>	<u>1,235,074</u>
NET ASSETS, END OF YEAR	<u>\$ 854,268</u>	<u>170,043</u>	<u>155,521</u>	<u>8,113</u>	<u>15,518</u>	<u>1,203,463</u>

SCHEDULE 2

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
EXTERNALLY RESTRICTED FUNDS - STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

	2021						
	Bohdan Medwidsky Fund	Osyp & Josaphat Neporany Education Fund	Michael Kowalsky & Daria Mucak- Kowalsky Fund (1)	Holowacz Family Fund	S. Bubniuk Fund	Pavlo & Olha Shandruk Fund	Subtotal
Revenue							
Investment income	\$ 1,357	15,119	7,646	7,761	2,857	3,295	38,035
Donations	-	-	144	-	-	-	144
Unrealized gain/(loss) on investments	-	-	-	-	-	-	-
	<u>1,357</u>	<u>15,119</u>	<u>7,790</u>	<u>7,761</u>	<u>2,857</u>	<u>3,295</u>	<u>38,179</u>
Expenses							
Grants and scholarships	<u>845</u>	<u>20,000</u>	<u>4,780</u>	<u>4,856</u>	-	<u>2,044</u>	<u>32,525</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	512	(4,881)	3,010	2,905	2,857	1,251	5,654
NET ASSETS, BEGINNING OF YEAR	31,784	343,532	179,120	181,844	66,917	77,182	880,379
TRANSFER (Note 3(c)(ii))	-	<u>10,680</u>	-	-	-	-	<u>10,680</u>
NET ASSETS, END OF YEAR	<u>\$ 32,296</u>	<u>349,331</u>	<u>182,130</u>	<u>184,749</u>	<u>69,774</u>	<u>78,433</u>	<u>896,713</u>

SCHEDULE 2

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
EXTERNALLY RESTRICTED FUNDS - STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

	2021						
	Peter & Olya Savaryn Fund	George Luckyj Fund	Wirsta Fund	USCHTHS Fund	Michael Kowalsky & Daria Mucak- Kowalsky Fund (2)	Unrealized Gain (Loss)	Total
Revenue							
Investment income	\$ 2,156	1,051	3,639	6,280	-	-	51,161
Donations	50	-	-	1,070	200,000	-	201,264
Unrealized gain/(loss) on investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,555</u>	<u>215,555</u>
	<u>2,206</u>	<u>1,051</u>	<u>3,639</u>	<u>7,350</u>	<u>200,000</u>	<u>215,555</u>	<u>467,980</u>
Expenses							
Grants and scholarships	<u>1,385</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>73,910</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	821	1,051	3,639	(32,650)	200,000	215,555	394,070
NET ASSETS, BEGINNING OF YEAR	50,510	24,624	85,277	147,141	-	29,528	1,217,459
TRANSFER (Note 3(c)(ii))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,680</u>
NET ASSETS, END OF YEAR	<u>\$ 51,331</u>	<u>25,675</u>	<u>88,916</u>	<u>114,491</u>	<u>200,000</u>	<u>245,083</u>	<u>1,622,209</u>

SCHEDULE 2

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
EXTERNALLY RESTRICTED FUNDS - STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

2020

	<u>Bohdan Medwidsky Fund</u>	<u>Osyp & Josaphat Neporany Education Fund</u>	<u>Michael Kowalsky & Daria Mucak- Kowalsky Fund (1)</u>	<u>Holowacz Family Fund</u>	<u>S. Bubniuk Fund</u>	<u>Pavlo & Olha Shandruk Fund</u>	<u>Subtotal</u>
Revenue							
Investment income	\$ 1,056	11,650	5,975	6,071	2,144	2,554	29,450
Donations	150	-	144	-	-	-	294
Unrealized gain/(loss) on investments	-	-	-	-	-	-	-
	<u>1,206</u>	<u>11,650</u>	<u>6,119</u>	<u>6,071</u>	<u>2,144</u>	<u>2,554</u>	<u>29,744</u>
Expenses							
Grants and scholarships	<u>1,321</u>	<u>20,000</u>	<u>7,474</u>	<u>7,600</u>	-	<u>2,510</u>	<u>38,905</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(115)	(8,350)	(1,355)	(1,529)	2,144	44	(9,161)
NET ASSETS, BEGINNING OF YEAR	31,899	346,607	180,475	183,373	64,773	77,138	884,265
TRANSFER (Note 3(c)(ii))	-	<u>5,275</u>	-	-	-	-	<u>5,275</u>
NET ASSETS, END OF YEAR	<u>\$ 31,784</u>	<u>343,532</u>	<u>179,120</u>	<u>181,844</u>	<u>66,917</u>	<u>77,182</u>	<u>880,379</u>

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
EXTERNALLY RESTRICTED FUNDS - STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

	2020						
	Peter & Olya Savaryn Fund	Roman Curkowskyj Fund	George Luckyj Fund	Wirsta Fund	USCHofTS Fund	Unrealized Gain (Loss)	Total
Revenue							
Investment income	\$ 1,731	\$ -	789	2,733	5,997	-	40,700
Donations	-	-	-	-	-	-	294
Unrealized gain/(loss) on investments	-	-	-	-	-	(31,941)	(31,941)
	<u>1,731</u>	<u>-</u>	<u>789</u>	<u>2,733</u>	<u>5,997</u>	<u>(31,941)</u>	<u>9,053</u>
Expenses							
Grants and scholarships	<u>3,514</u>	<u>4,835</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>87,254</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,783)	(4,835)	789	2,733	(34,003)	(31,941)	(78,201)
NET ASSETS, BEGINNING OF YEAR	52,293	4,835	23,835	82,544	181,144	61,469	1,290,385
TRANSFER (Note 3(c)(ii))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,275</u>
NET ASSETS, END OF YEAR	<u>\$ 50,510</u>	<u>\$ -</u>	<u>24,624</u>	<u>85,277</u>	<u>147,141</u>	<u>29,528</u>	<u>1,217,459</u>

SCHEDULE 3

**CANADIAN FOUNDATION FOR UKRAINIAN STUDIES
SCHEDULE OF DONATIONS
YEAR ENDED DECEMBER 31, 2021**

	Accumulated Donations December 31, <u>2020</u>	Increase During The Year	Accumulated Donations December 31, <u>2021</u>
British Columbia	\$ 219,861	-	219,861
Alberta	802,088	1,281	803,369
Saskatchewan	45,525	-	45,525
Manitoba	69,919	302	70,221
Ontario	1,772,558	233,677	2,006,235
Quebec	49,825	964	50,789
Nova Scotia	7,785	-	7,785
New Brunswick	8,665	-	8,665
Newfoundland and Labrador	100	-	100
United States	80,051	-	80,051
International	<u>15,286</u>	<u>-</u>	<u>15,286</u>
	<u>\$ 3,071,663</u>	<u>236,224</u>	<u>3,307,887</u>

Increase during year represented by:

Donations - General Fund	\$ 11,399
Danylo Husar Struk Memorial Fund	4,130
Peter and Olya Savaryn Fund	50
Endowment Fund	19,431
Mucak/Kowalsky Fund (1)	144
Mucak/Kowalsky Fund (2)	200,000
USCHTHS Fund	<u>1,070</u>
	<u>\$ 236,224</u>