

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD

FINANCIAL STATEMENTS

For the Year Ended May 31, 2021



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Doukhobors of Canada C.C.U.B. Trust Fund Board, which comprise the statement of financial position as at May 31, 2021, and the statements of operations and accumulated surplus, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Doukhobors of Canada C.C.U.B. Trust Fund Board as at May 31, 2021, and the results of its operations, changes in its accumulated surplus, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Doukhobors of Canada C.C.U.B. Trust Fund Board 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that effective May 13, 2021, subject to a disbursement plan approved by the Minister responsible for the Trust Fund, the Doukhobors of Canada C.C.U.B. Trust Fund Board is able to disburse the entire balance of the Trust Fund. The Board prepared, and the Minister approved, a disbursement plan that includes the Board's intention to disburse the remaining amounts in the Trust Fund by May 2024. Upon full disbursement of the Trust Fund amounts, the Minister may recommend the Lieutenant Governor in Council repeal *The Doukhobors of Canada C.C.U.C. Trust Fund Act*. Once the Act is repealed, the Trust Fund will cease to exist. This change in legislation along with the Board's intention to disburse the remaining amounts in the Trust Fund indicate a material uncertainty exists that may cast significant doubt on the Trust Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, 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 Doukhobors of Canada C.C.U.B. Trust Fund Board'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 Doukhobors of Canada C.C.U.B. Trust Fund Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Doukhobors of Canada C.C.U.B. Trust Fund Board'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.



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of Saskatchewan

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.
- 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 Doukhobors of Canada C.C.U.B. Trust Fund Board'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 Doukhobors of Canada C.C.U.B. Trust Fund Board 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.

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 identified during the audit.

Regina, Saskatchewan
October 21, 2021

Tara Clemett, CPA, CA, CISA
Acting Provincial Auditor
Office of the Provincial Auditor

Statement 1

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
STATEMENT OF FINANCIAL POSITION
As at May 31

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Financial Assets | | |
| Cash | \$ 11,498 | \$ 8,985 |
| Accrued interest receivable | 5,298 | 5,346 |
| Investments (Schedule 1) | <u>292,084</u> | <u>297,970</u> |
| Total Financial Assets | <u>308,879</u> | <u>312,301</u> |
| Financial Liabilities | | |
| Accounts payable | - | 300 |
| Net financial assets | <u>\$ 308,879</u> | <u>\$ 312,001</u> |
| Non-financial assets | | |
| Prepaid expenses | 180 | 700 |
| Net Assets | <u>\$ 309,059</u> | <u>\$ 312,701</u> |
| Accumulated Surplus (Statement 2) | <u>\$ 309,059</u> | <u>\$ 312,701</u> |

(See accompanying notes to the financial statements)

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended May 31

| | <u>2021</u> | <u>2020</u> |
|---|--------------------------|--------------------------|
| Revenues | | |
| Investment interest | \$ 6,519 | \$ 7,047 |
| Donation revenue | <u>\$ -</u> | <u>\$ 3,000</u> |
| | \$ 6,519 | \$ 10,047 |
| Expenses | | |
| Grants | 8,702 | 4,548 |
| Board expense | 410 | 75 |
| Administration expense | <u>1,050</u> | <u>492</u> |
| | <u>10,161</u> | <u>5,115</u> |
| Annual surplus/(deficit) | (3,642) | 4,932 |
| Accumulated surplus, beginning of year | <u>312,701</u> | <u>307,769</u> |
| Accumulated surplus, end of year (Statement 1) | <u><u>\$ 309,059</u></u> | <u><u>\$ 312,701</u></u> |

(See accompanying notes to the financial statements)

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
STATEMENT OF CASH FLOWS
For the Year Ended May 31

| Operating transactions | <u>2021</u> | <u>2020</u> |
|---|------------------|-----------------|
| Annual surplus/(deficit) | \$ (3,642) | \$ 4,932 |
| Net change in non-cash operating activities | | |
| Accrued interest receivable | 49 | 297 |
| Prepaid expenses | 520 | (700) |
| Accounts payable | (300) | - |
| Cash (applied to) from operating transactions | <u>(3,373)</u> | <u>4,529</u> |
| Investing transactions | | |
| Proceeds from investments | 56,861 | 111,200 |
| Purchase of Investments | (50,974) | (111,799) |
| Cash from (applied to) investing transactions | <u>5,886</u> | <u>(599)</u> |
| Increase in cash | 2,513 | 3,930 |
| Cash, beginning of year | <u>8,985</u> | <u>5,055</u> |
| Cash, end of year | <u>\$ 11,498</u> | <u>\$ 8,985</u> |

(See accompanying notes to the financial statements)

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2021

1. Purpose of the Organization

The Doukhobors of Canada C.C.U.B. Trust Fund Board (Board) was incorporated under *The Doukhobors of Canada C.C.U.B. Trust Fund Act*.

The purpose of the Board is to administer the Doukhobors of Canada C.C.U.B. Trust Fund (Fund) and to make grants from this Fund to recognized non-profit organizations which are dedicated to establishing and maintaining the heritage and culture of the Doukhobors of Canada.

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of CPA Canada.

The Board maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

On May 13, 2021, *The Doukhobors of Canada C.C.U.B Trust Fund Amendment and Repeal Act, 2020* received royal assent. This Act allows for disbursement of the entire Fund subject to a disbursal plan approved by the Minister responsible for the Fund. A disbursal plan was prepared by the Board, and approved by the Minister that includes the Board's intention to disburse remaining amounts in the Fund by May 2024. Upon the subsequent recommendation by the Minister of the repealing of *The Doukhobors of Canada C.C.U.B. Trust Fund Act*, the Fund will cease to exist.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board of CPA Canada. These financial statements do not include a Statement of Remeasurement Gains and Losses as there were no relevant transactions to report. The following accounting policies are considered significant:

a) Investments

Investments are recorded at cost. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. Revenue from investments is recorded in income as it is earned.

b) Grants

Grants are recorded as expenses when approved by the Board, eligibility criteria, if any, have been met by the recipient and the amount of the grant can be estimated.

c) Donation Revenue

Donation revenue is recorded when received.

3. Related Parties

Related parties include those charged with governance, close family members of its board members, and entities controlled by, or under shared control of any of these individuals. There were no transactions with related parties.

4. Restricted Accumulated Surplus

The Fund was initially created from surplus funds arising out of the liquidation of assets of the C.C.U.B. Ltd. in the amount of \$222,078 plus interest of \$45,422 for a total of \$267,500. Beginning May 13, 2021 upon assent of *The Doukhobors of Canada C.C.U.B Trust Fund Amendment and Repeal Act, 2020* the board may utilize the entire balance of the Fund, whereas prior to this date according to *The Doukhobors of Canada C.C.U.B Trust Fund Act*, only the investment income on the \$267,500 was available for expenses by the Board.

5. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to accrued interest receivable or accounts payable that may affect the amount, timing and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

b) Credit risk

The Board invests in guaranteed investment certificates (GIC). As such it is not exposed to significant credit risk. In addition, investments are made in accordance with *The Pension Benefits Regulations, 1993*.

c) Fair Value

The carrying amount of accrued interest receivable and accounts payable approximates fair value due to their immediate or short-term nature.

6. Statement of Change in Net Financial Assets

A statement of change in net financial assets has not been presented since this information is readily apparent from the other statements.

7. New Standards

A new standard which may impact the Board is not yet effective for the year ended May 31, 2021, and has not been applied in preparing these financial statements. The following new standard is effective for financial statements on or after the date noted below:

PS 3400 Revenue (April 1, 2023)

The extent of the impact on adoption of this standard is not known at this time.

8. Impact of COVID-19

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The Board continues to assess and monitor the impact of COVID-19 on its financial condition. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential impact on the Fund's future financial position and operations. to reliably measure the potential impact on the Fund's future financial position and operations.

Schedule 1

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
SCHEDULE OF INVESTMENTS
As at May 31

| Description | Interest Rate | Maturity Date | 2021 | 2020 |
|-------------------------------|---------------|-------------------|-------------------|-------------------|
| CDN Western Bank - GIC | 1.91% | July 26, 2021 | 48,400 | 48,400 |
| Equitable Bank - GIC | 3.20% | June 15, 2023 | 47,000 | 47,000 |
| Equitable Bank - GIC | 1.01% | December 21, 2022 | 45,000 | - |
| Bank of Nova Scotia - GIC | 2.35% | December 21, 2020 | - | 45,000 |
| Home equity Bank - GIC Annual | 2.35% | September 3, 2024 | 40,000 | 40,000 |
| CDN Western Bank - GIC | 2.29% | June 25, 2024 | 51,000 | 51,000 |
| TD Special Offer GIC | 1.30% | June 20, 2021 | 20,684 | 20,684 |
| Affinity Credit Union - GIC | 2.00% | July 27, 2020 | - | 5,886 |
| B2B Bank - GIC | 2.20% | July 4, 2022 | 40,000 | 40,000 |
| | | | <u>\$ 292,084</u> | <u>\$ 297,970</u> |