

CANADA-UKRAINE FOUNDATION
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
DECEMBER 31, 2023

CANADA-UKRAINE FOUNDATION

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canada-Ukraine Foundation:

Opinion

We have audited the accompanying financial statements of Canada-Ukraine Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Canada-Ukraine Foundation as at December 31, 2023, 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 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 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 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 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.

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 1, 2024**

Fort Group
**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**CANADA-UKRAINE FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Endowment Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
ASSETS					
CURRENT ASSETS					
Cash	\$ 2,756,356	473,332	-	3,229,688	9,130,818
Short-term investments (Note 5)	-	14,181,843	-	14,181,843	24,164,372
Prepaid expenses	8,670	-	-	8,670	8,670
HST recoverable	206,777	-	412	207,189	68,672
Inter-fund balances (Note 9)	<u>1,547,496</u>	<u>(1,549,777)</u>	<u>2,281</u>	<u>-</u>	<u>-</u>
	4,519,299	13,105,398	2,693	17,627,390	33,372,532
LONG-TERM INVESTMENTS (Note 6)	-	550,671	668,405	1,219,076	1,103,175
TANGIBLE CAPITAL ASSETS (Note 7)	<u>250,544</u>	<u>-</u>	<u>-</u>	<u>250,544</u>	<u>251,135</u>
	<u>\$ 4,769,843</u>	<u>13,656,069</u>	<u>671,098</u>	<u>19,097,010</u>	<u>34,726,842</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ <u>29,086</u>	<u>720</u>	<u>-</u>	<u>29,806</u>	<u>267,648</u>
NET ASSETS					
Internally restricted (Schedule 1)	-	861,331	-	861,331	1,247,357
Externally restricted (Schedule 2)	-	12,794,018	-	12,794,018	28,388,220
Unrestricted	4,740,757	-	-	4,740,757	4,225,906
Endowment fund	<u>-</u>	<u>-</u>	<u>671,098</u>	<u>671,098</u>	<u>597,711</u>
	<u>4,740,757</u>	<u>13,655,349</u>	<u>671,098</u>	<u>19,067,204</u>	<u>34,459,194</u>
	<u>\$ 4,769,843</u>	<u>13,656,069</u>	<u>671,098</u>	<u>19,097,010</u>	<u>34,726,842</u>

APPROVED BY THE BOARD:

Bradley Sutherland Director  Director

**CANADA-UKRAINE FOUNDATION
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Endowment Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
REVENUE					
Humanitarian project donations	\$ -	13,475,779	-	13,475,779	53,409,798
Donations	2,120,382	719,719	-	2,840,101	3,929,601
Investment income	5,907	357,036	28,666	391,609	405,431
Government grants (Note 3(c)(iii))	<u>-</u>	<u>79,183</u>	<u>-</u>	<u>79,183</u>	<u>308,426</u>
	<u>2,126,289</u>	<u>14,631,717</u>	<u>28,666</u>	<u>16,786,672</u>	<u>58,053,256</u>
EXPENSES					
Accounting	10,379	-	-	10,379	11,308
Administration	13,129	-	-	13,129	11,329
Advertising	11,035	-	-	11,035	14,183
Amortization of tangible capital assets	591	-	-	591	9,109
Audit	29,062	-	-	29,062	35,552
Bank charges	20,334	-	-	20,334	56,519
Communication expenses	144,858	-	-	144,858	72,276
Conference costs	759	-	-	759	6,250
Contractor fees	4,069	-	-	4,069	7,907
General projects	1,795,051	-	-	1,795,051	814,172
Insurance	12,762	-	-	12,762	11,898
Legal fees	2,617	-	-	2,617	26,449
Memberships	350	-	-	350	350
Office and postage	50,025	-	-	50,025	46,123
Project expenses (Schedule 1 and 2)	-	29,944,036	4,731	29,948,767	24,716,005
Salaries and benefits	160,728	-	-	160,728	42,590
Travel	15,894	-	-	15,894	11,586
Website	<u>21,291</u>	<u>-</u>	<u>-</u>	<u>21,291</u>	<u>10,913</u>
	<u>2,292,934</u>	<u>29,944,036</u>	<u>4,731</u>	<u>32,241,701</u>	<u>25,904,519</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(166,645)	(15,312,319)	23,935	(15,455,029)	32,148,737
OTHER ITEMS					
Unrealized investment gain (loss)	-	36,606	49,452	86,058	(60,746)
Realized foreign exchange gain (loss)	(23,019)	-	-	(23,019)	6,541
Processing fees (Note 10) (Schedule 1 and 2)	<u>704,515</u>	<u>(704,515)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 514,851</u>	<u>(15,980,228)</u>	<u>73,387</u>	<u>(15,391,990)</u>	<u>32,094,532</u>

**CANADA-UKRAINE FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Endowment Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
NET ASSETS, BEGINNING OF YEAR	\$ 4,225,906	29,635,577	597,711	34,459,194	2,364,662
Excess (deficiency) of revenue over expenses	514,851	(15,980,228)	73,387	(15,391,990)	32,094,532
Inter-fund transfers (Schedule 1 and 2)	-	-	-	-	-
NET ASSETS, END OF YEAR	<u>\$ 4,740,757</u>	<u>13,655,349</u>	<u>671,098</u>	<u>19,067,204</u>	<u>34,459,194</u>

**CANADA-UKRAINE FOUNDATION
STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Endowment Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
CASH PROVIDED BY (USED IN):					
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenses	\$ 514,851	(15,980,228)	73,387	(15,391,990)	32,094,532
Add back (deduct) non-cash items:					
Amortization of tangible capital assets	591	-	-	591	9,109
Write-off of incorporation costs	-	-	-	-	47,882
Unrealized loss (gain) on long-term investments	<u>-</u>	<u>(36,606)</u>	<u>(49,452)</u>	<u>(86,058)</u>	<u>60,746</u>
	515,442	(16,016,834)	23,935	(15,477,457)	32,212,269
Change in non-cash working capital:					
Accrued interest on short-term investments	-	(91,853)	-	(91,853)	(146,500)
Accounts receivable	-	-	-	-	5,985
Prepaid expenses	-	-	-	-	(8,149)
HST recoverable	(138,496)	-	(21)	(138,517)	(46,099)
Accounts payable and accrued liabilities	<u>(3,325)</u>	<u>(234,517)</u>	<u>-</u>	<u>(237,842)</u>	<u>243,840</u>
	<u>373,621</u>	<u>(16,343,204)</u>	<u>23,914</u>	<u>(15,945,669)</u>	<u>32,261,346</u>
INVESTING ACTIVITIES					
Purchase of tangible capital assets	-	-	-	-	(750)
Purchase of short-term investments	-	(344,409)	-	(344,409)	(27,148,544)
Purchase of long-term investments	-	(6,320)	(23,523)	(29,843)	(22,813)
Proceeds from the sale of short-term investments	-	10,418,791	-	10,418,791	3,130,672
Proceeds from the sale of long-term investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
	<u>-</u>	<u>10,068,062</u>	<u>(23,523)</u>	<u>10,044,539</u>	<u>(24,021,435)</u>
FINANCING ACTIVITIES					
Change in interfund balances	<u>(6,477,285)</u>	<u>6,477,676</u>	<u>(391)</u>	<u>-</u>	<u>-</u>
CHANGE IN CASH	(6,103,664)	202,534	-	(5,901,130)	8,239,911
CASH, BEGINNING OF YEAR	<u>8,860,020</u>	<u>270,798</u>	<u>-</u>	<u>9,130,818</u>	<u>890,907</u>
CASH, END OF YEAR	<u>\$ 2,756,356</u>	<u>473,332</u>	<u>-</u>	<u>3,229,688</u>	<u>9,130,818</u>

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

1. ACCOUNTING ENTITY

Canada-Ukraine Foundation (the "Foundation"), is a registered charity that is incorporated federally and exempt from income taxes under the provisions of the Income Tax Act of Canada. The Foundation's objectives are to relieve poverty, advance education and religion and engage in other purposes beneficial to the community in Canada and Ukraine.

The Foundation has charity status in the United States and is exempt from federal income tax under IRC Section 501(c)(3). United States taxpayers may deduct contributions to the Foundation if they have income from sources in Canada.

2. 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 financial statements include the following significant accounting policies:

(a) Tangible Capital Assets

Tangible capital assets recorded at cost. Contributed tangible capital assets are recorded at their fair market value on the date of acquisition. Amortization is provided using methods and rates intended to amortize the cost of assets less salvage value over their estimated useful lives. The Foundation assesses impairment of tangible capital assets on an annual basis.

	<u>Method</u>	<u>Rate</u>
Holodomor bus	Straight-line	10 years
Computers	Straight-line	3 years
Furniture and fixtures	Straight-line	5 years

(b) Contributed Services and Donated Materials

Contributed services and donated materials are not recognized in the financial statements due to the difficulty in determining their fair value. During the year, the Foundation received medical equipment with a cost of \$15,269,100 (USD) from the Public Health Agency of Canada and was delivered to Ukraine. The medical equipment was not recorded in these financial statements as the donated equipment would not have otherwise been purchased.

(c) Revenue Recognition

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

Unrestricted donations are recognized as revenue in the General Fund in the year in which they are received. Restricted donations, including Humanitarian project donations and other donations, are recognized as revenue in the appropriate restricted fund in the year in which they are received.

Investment income is recorded in the year it relates to.

Government grants that do not relate to a restricted fund are recognized as revenue when the related expense is incurred. Government grants that relate to a restricted fund are recognized as revenue when they are received or receivable, and when collection is reasonably assured.

(d) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate. Revenue and expenses are translated at the rate in effect on the settlement date. Foreign exchange gains and losses are recorded in the statement of operations.

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments

Financial instruments held by the Foundation include cash, accounts receivable, short-term investments, long-term investments, and accounts payable and accrued liabilities. The Foundation initially measures its financial instruments at fair value. The Foundation subsequently measures its financial instruments at cost or amortized cost, with the exception of its investments which are reported at fair market value with any unrealized gains or losses recognized in operations. 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.

(f) Use of 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 amortization expense and amounts payable for services not billed yet at the time these financial statements were approved and the useful life of tangible capital assets. Actual results may differ from estimates.

3. DESCRIPTION OF FUNDS

The Foundation accounts for its operations using fund accounting.

(a) General Fund

The 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 Designated Funds

(i) Alberta Learning Fund

The fund is to develop Ukrainian teaching materials for Grades 10, 11 and 12 pursuant to a contract with the Government of Alberta.

(ii) Liubov Project Fund

The fund is to provide assistance to impoverished children and youth in Ukraine.

(iii) CUF Medical Program Fund

This fund was used to pay for the first seven medical missions that ended in November 2019 due to COVID restrictions. The fund also sponsored psycho trauma therapy for female war veterans at the Open Doors Organization in Kyiv, Ukraine; facilitated transfer of new and used hospital equipment to Ukraine and financed mobile dental clinics at orphanages and boarding schools.

(iv) Ukrainian Greek Catholic Church (UGCC) Sobor Fund

The fund was used for the purpose of completing the building of the Patriarchal Cathedral in Kyiv, Ukraine. This fund is now closed, and the balance of funds will be transferred in 2024 to the UGCC for ongoing maintenance costs.

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

3. DESCRIPTION OF FUNDS (Continued)

(b) Internally Restricted Designated Funds (Continued)

(v) Ukraine 2020 Flood Relief Fund

The fund is to support relief efforts in Ukraine, where heavy flooding has caused devastation. During the prior year this fund was closed out and remaining funds in the account were transferred to the General Fund.

(vi) Ukraine Rebuilding Fund

The fund is to rebuild Ukraine and deliver assistance in connection with supporting the democratic movement in Ukraine. Included in the Ukraine Rebuilding Fund is the Fr. Buciora Ukrainian Assistance Fund. The purpose of this fund is to provide financial assistance to families in Ukraine that have lost a relative in the Anti-Terrorist Operation in Ukraine. During the prior year this fund was closed out and remaining funds in the account were transferred to the General Fund.

(vii) Ukrainian Leadership Academy Fund

The Ukrainian Leadership Academy is a not-for-profit charitable organization validly established and operating under the laws of Ukraine for the purpose of advancing Ukrainian Civil Society through education and training of students.

(viii) University of Kyiv-Mohyla Fund

The fund was established to assist the National University of Kyiv-Mohyla Academy. This fund is now closed, and balance of funds will be transferred in 2024 to the Kyiv Mohyla Foundation of Canada.

(c) Externally Restricted Designated Funds

(i) Displaced Ukrainians Appeal Fund

The fund is to provide assistance in Canada only to Ukrainians who have been displaced as a result of the war launched by Russia on Ukraine on February 24, 2022.

(ii) Druzi-Dzherelo (Friends of Dzherelo) Canada Fund

The Druzi-Dzherelo (Friends of Dzherelo) joined the Foundation as one of their projects when Children of Chernobyl Canadian Fund (CCCCF) was dissolved in early 2019. Druzi decided that the Foundation would be the best fit for them as supporters of Dzherelo in Lviv. The purpose of this program is to raise funds for the valuable and progressive work that Dzherelo-Lviv contributes to the well-being of children and youth with special needs in Ukraine.

(iii) Holodomor Awareness Fund

The "Holodomor National Awareness Tour", is a joint project between four organizations: the Canada-Ukraine Foundation (the Foundation, the lead on the project), the Ukrainian Canadian Congress (UCC), the Ukrainian Canadian Research and Documentation Centre (UCRDC), and the Holodomor Research and Educational Consortium (HREC). The tour takes place on a customized 42' recreational vehicle (RV), with a state-of-the-art interactive audio-visual technology centre on board. The RV is wheelchair accessible and tours Canada, visiting elementary and secondary schools, universities, government buildings, Ukrainian community and Canadian mainstream events, festivals and gatherings across the country. The goal of the awareness tour is to educate all Canadians about the famine created by Joseph Stalin in 1932-1933, murdering millions of Ukrainians.

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

3. DESCRIPTION OF FUNDS (Continued)

(c) Externally Restricted Designated Funds (Continued)

(iii) Holodomor Awareness Fund (Continued)

The fund received contributions and donations during the year ended December 31, 2023, in the amount of \$107,485 (2022 - \$308,939). Included in government grants is funding from the Province of Ontario in the amount of \$79,183 (2022 - \$299,250).

On November 24, 2023, the Province of Ontario awarded a \$400,000 grant to the Foundation to operate the bus in Ontario only for 12 months. The first installment was paid Q1 2024.

The balance of externally restricted net assets of the fund as reported in Appendix 2 is net of the RV (Holodomor Bus) which was funded solely from private donations.

(iv) Holodomor Research and Education Centre in Ukraine (HREC in Ukraine) Fund

The purpose of this project is to encourage the public to share family history for the creation of an open-source database known as the "Holodomor Family History Global Database".

(v) Jaraslaw Zajszlyj Memorial Fund

The fund is to sponsor scholarships for the Lviv National Agrarian University in Dubliany, Ukraine in the name of Jaraslaw Zajszlyj.

(vi) Kovaluk Fund

The fund is to be invested and the interest earned is to be used to fund scholarships in Ukrainian educational institutions.

(vii) National Holodomor Museum Fund

The Foundation has entered into a Memorandum of Cooperation with the International Foundation for the Development of the Holodomor-Genocide Museum, a charitable non-profit organization established under Ukrainian law and located in Kyiv, Ukraine. The purpose is to assist the Foundation in a campaign to raise funds abroad to create the Main Exhibition for the Holodomor-Genocide Museum, to outfit the interior of the Museum, and also to establish an Endowment Fund for further sustainable development of the Museum. The Foundation was the official partner responsible for conducting the fundraising campaign outside the territory of Ukraine on a best-efforts basis. At the end of 2021, the Foundation restricted its role in fundraising for the Museum to a passive collection of donations.

(viii) Canada Ukraine Surgical Aid Program (CUSAP) Fund

The Canada Ukraine Surgical Aid Program (CUSAP) Fund is a collaboration between Sunnybrook Health Sciences Centre and the Canada-Ukraine Foundation that extends until 2025. It will build the capacity of the Ukrainian Health Care System and enable surgeons to train the next generation of Ukrainian surgeons.

In addition, this fund is to be used to run ongoing medical aid programs to provide surgical care to war casualties with extended scope and range of surgical services provided by intensivists, orthopaedic, head and neck, general, vascular, oculoplastic and burn surgeons, in addition to plastic, hand, craniofacial and neurosurgeons and pediatrics.

(ix) The Cosbild Ukrainian Culture Fund

The fund is to be invested and the interest earned is to be used to fund three annual scholarships to students of Ivan Franko University in Lviv.

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

3. DESCRIPTION OF FUNDS (Continued)

(c) Externally Restricted Designated Funds (Continued)

(x) Ukraine Humanitarian Appeal Fund

In order to raise awareness and foster an informed understanding by Canadians of the shared nature of global humanitarian challenges caused by Russia's military and other forms of aggression in Ukraine, The Canada-Ukraine Foundation and the Ukrainian Canadian Congress signed a Memorandum of Agreement (MOA) that created a joint steering committee titled: "Ukraine Humanitarian Relief Committee" (UHRC) to oversee the implementation of the MOA.

The MOA was signed January 27, 2022, and it expires December 31, 2027. It may be terminated earlier by mutual consent of the Parties.

The Areas of Cooperation covered by the MOA are:

- Assistance to displaced persons in Ukraine and refugees who have fled Ukraine
- Medical Care
- Emergency shelter
- Food security
- Agree to adding additional areas of cooperation as the war evolves

Examples of projects in 2023 within Ukraine include emergency food kits, emergency medical and hygiene kits, emergency shelters, demining robots, the Canada Ukraine Surgical Assistance Program, ambulances, firefighters' equipment, generators and trauma/psychological therapy for children and adults. In Canada, projects include the displaced persons settlement programs.

(xi) Veterans of Ukraine Humanitarian Fund

The fund is to assist wounded war veterans who have bravely defended their country against Russia's ongoing military aggression in Ukraine. This fund was formerly known as the Defenders of Ukraine Fund.

(xii) Vitaliy Skakun Fund

The fund is to honour the memory of Vitaliy Skakun by assisting the families of wounded Ukrainian war veterans who have bravely defended their country against Russia's ongoing military aggression in Ukraine. During the prior year, the balance of funds in this account were transferred to the Veterans of Ukraine Humanitarian Fund.

(xiii) Aid for Artists in Ukraine Fund

This fund provides an outlet for the community at large to support the arts and artists of Ukraine. Preserving and advancing Ukrainian culture is now more important than ever.

Projects related to re-establishment, creation and jobs in the arts sector will be considered. Funding will go to individuals, organizations and all genres of visual and performing arts to improve the preservation, promotion and development of Ukrainian arts in Ukraine.

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

3. DESCRIPTION OF FUNDS (Continued)

(d) Externally Restricted Endowment Fund

The Endowment Fund, established by The Ukrainian Senior Citizens Home of Taras H. Shevchenko (Windsor) Inc., supports charitable activities that are consistent with the charitable objects of the Foundation. As per the wishes of the donor, up to 5% of the capital plus income for the year may be used annually to fund special projects. However, the remaining principal of the fund shall remain intact.

4. LINE OF CREDIT

The Foundation has a line of credit, repayable on demand, with the Ukrainian Credit Union Limited (UCU) to a maximum of \$250,000 (2022 - \$250,000) bearing interest at 9.60% (2022 - 8.35%) and is secured by a general security agreement providing first charge over all assets excluding real estate and segregated funds. As at December 31, 2023, the line of credit was not used and there are no fees charged by UCU if the line of credit is not used.

5. SHORT-TERM INVESTMENTS

Short-term investments consist of guaranteed investment certificates with interest rates ranging from 0.70% to 4.90% (2022 - 0.60% to 2.60%) and mature within twelve months of the fiscal year-end. As of December 31, 2023, the Foundation has a short-term investments balance of \$14,181,843 (2022 - \$24,164,372).

6. LONG-TERM INVESTMENTS

The Foundation has invested in bonds and equities with the Ukrainian Canadian Foundation of Taras Shevchenko, EdgePoint Wealth Management Inc., and Assante Wealth Management. Investments at December 31, 2023, consist of the following:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Designated Funds:				
Taras Shevchenko Foundation				
Cosbild Fund	\$ 64,488	57,242	65,736	54,675
Kovaluk Fund	96,532	89,078	97,596	85,084
Jaroslaw Zajszyj Memorial Fund	51,296	47,734	51,997	45,594
Liubov Fund	<u>41,134</u>	<u>38,214</u>	<u>41,630</u>	<u>36,501</u>
	253,450	232,268	256,959	221,854
Assante Wealth Management				
Druzi-Dzhereło	<u>269,013</u>	<u>318,403</u>	<u>259,184</u>	<u>285,891</u>
	522,463	550,671	516,143	507,745
Endowment Fund:				
EdgePoint Wealth Mgmt				
Taras Shevchenko Windsor (Endowment)	<u>590,703</u>	<u>668,405</u>	<u>567,180</u>	<u>595,430</u>
	<u>\$ 1,113,166</u>	<u>1,219,076</u>	<u>1,083,323</u>	<u>1,103,175</u>

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

7. TANGIBLE CAPITAL ASSETS

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Holodomor bus	\$ 755,277	505,277	755,277	505,277
Computers	117,104	116,560	117,104	115,969
Furniture and fixtures	<u>1,140</u>	<u>1,140</u>	<u>1,140</u>	<u>1,140</u>
	<u>873,521</u>	<u>622,977</u>	<u>873,521</u>	<u>622,386</u>
Net book value	\$ <u>250,544</u>		<u>251,135</u>	

At the time of acquisition of the Holodomor bus, the Foundation had attributed a salvage value of \$250,000. During the current year, the bus was still operational and used in charitable endeavours. However, the bus will no longer be amortized as its net book value now equals its salvage value. Impairment on the bus will be assessed on an annual basis.

8. COMMITMENTS

The Foundation entered into a lease agreement for the storage of the Holodomor Tour bus covering a three-year term from June 1, 2022 - May 31, 2025. Future annual payments are as follows:

2024	\$ 38,074
2025	<u>16,067</u>
	<u>\$ 54,141</u>

9. INTER-FUND BALANCES

The interfund balances are non-interest bearing with no set terms of repayment and not due on demand.

10. PROCESSING FEES

The Foundation charges processing fees for the receipt and administration of certain designated fund donations. The fees range from 2% to 5% on the gross amount of donations and is recorded when the restricted donations are received.

Processing fee revenue is comprised of the following:

	<u>2023</u>	<u>2022</u>
Ukraine Humanitarian Appeal Fund	\$ 673,789	2,670,490
Atlantic Council	22,347	10,194
Holodomor Research and Education Centre in Ukraine	6,794	6,273
Liubov Project Fund	1,585	2,041
Ukrainian Leadership Academy Fund	<u>-</u>	<u>6,688</u>
	<u>\$ 704,515</u>	<u>2,695,686</u>

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

11. THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO ENDOWMENT FUND

The Foundation has an endowment fund held in trust by The Ukrainian Canadian Foundation of Taras Shevchenko, which set aside \$125,000 in 1996 for the Canada-Ukraine Foundation. This endowment fund is reported in the financial statements of the Ukrainian Canadian Foundation of Taras Shevchenko. These funds are to be invested and the income earned is to be donated to the Canada-Ukraine Foundation to assist it in carrying out its mandate. The following conditions apply:

1. Canada-Ukraine Foundation is not to encroach on the capital set aside;
2. Canada-Ukraine Foundation is to receive 90% of the income earned each year with 10% being added to the capital;
3. Canada-Ukraine Foundation must use the funds for designated Canadian purposes and must comply with Ukrainian Canadian Foundation of Taras Shevchenko guidelines for granting and use of funds;
4. Ukrainian Canadian Foundation of Taras Shevchenko will monitor the use of the funds; and
5. The capital fund will revert to Ukrainian Canadian Foundation of Taras Shevchenko upon formal dissolution of Canada-Ukraine Foundation.

For the year ended December 31, 2023, the income allocation was \$5,215 (2022 - \$20,928), which is included in the general investment income. The fair market value of the endowment fund at December 31, 2023, was \$331,343 (2022 - \$319,593).

12. 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. 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, 2023, the Foundation has a cash balance of \$3,229,688 (2022 - \$9,130,818) to cover financial liabilities of \$29,806 (2022 - \$267,648). It is management's opinion that most of the Foundation's investments are 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 fixed income investments.

Management manages credit risk by investing in fixed income investments held with a well-established Ontario credit union.

**CANADA-UKRAINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

12. FINANCIAL RISK MANAGEMENT (continued)

(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.

(i) Foreign Currency Risk

Foreign currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the Foundation is the Canadian dollar. The Foundation occasionally transacts in foreign currencies when certain revenues and expenses are denominated in those currencies, or to source certain purchases and services outside of Canada.

The Foundation mitigates its currency risk exposure by having a bank account that is denominated in other currency.

(ii) 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.

(iii) 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.

The Foundation is exposed to all three types of market risk as its investments consist of bonds, term deposits, shares, fixed income and equity mutual funds. The Foundation relies on their investment managers to oversee their investments and follow the Foundation's internal investment management policy to mitigate these risks.

13. COMPARATIVE FIGURES

Certain comparative figures have been restated to reflect the financial statement presentation adopted for the current year.

Schedule 1

**CANADA-UKRAINE FOUNDATION
INTERNALLY RESTRICTED FUNDS
YEAR ENDED DECEMBER 31, 2023**

2023						
	<u>2022</u>	<u>Grants/ donations</u>	<u>Investment income (loss)</u>	<u>Expenses</u>	<u>Inter-fund transfers (i)</u>	<u>2023</u>
Alberta Learning Fund	\$ 17,662	-	-	-	-	17,662
Liubov Project Fund	89,655	24,629	2,200	33,868	-	82,616
CUF Medical Program Fund	495,266	175	-	51,425	-	444,016
UGCC Sobor Fund	6,297	-	-	-	-	6,297
Ukrainian Leadership Academy Fund	635,089	-	-	-	(327,737)	307,352
University of Kyiv-Mohyla Fund	3,388	-	-	-	-	3,388
	<u>\$ 1,247,357</u>	<u>24,804</u>	<u>2,200</u>	<u>85,293</u>	<u>(327,737)</u>	<u>861,331</u>
2022						
	<u>2021</u>	<u>Grants/ donations</u>	<u>Investment income (loss)</u>	<u>Expenses</u>	<u>Inter-fund transfers</u>	<u>2022</u>
Alberta Learning Fund	\$ 17,662	-	-	-	-	17,662
Defenders of Ukraine	20,169	-	-	-	(20,169)	-
Liubov Project Fund	70,557	67,086	(2,424)	45,564	-	89,655
CUF Medical Program Fund	-	514,510	-	19,244	-	495,266
UGCC Sobor Fund	6,297	-	-	-	-	6,297
Ukraine 2020 Flood Relief Fund	562	-	-	-	(562)	-
Ukraine Rebuilding Fund	5,786	-	-	5,777	(9)	-
Ukrainian Leadership Academy Fund	-	635,089	-	-	-	635,089
University of Kyiv-Mohyla Fund	3,388	-	-	-	-	3,388
	<u>\$ 124,421</u>	<u>1,216,685</u>	<u>(2,424)</u>	<u>70,585</u>	<u>(20,740)</u>	<u>1,247,357</u>

(i) During the year, a transfer of \$327,737 was made to the Holodomor Research and Education Centre in Ukraine for the purpose in Note 3(c)(iv).

Schedule 2

**CANADA-UKRAINE FOUNDATION
EXTERNALLY RESTRICTED FUNDS
YEAR ENDED DECEMBER 31, 2023**

2023						
	<u>2022</u>	<u>Grants/ donations</u>	<u>Investment income (loss)</u>	<u>Expenses</u>	<u>Inter-fund transfers (i)</u>	<u>2023</u>
Displaced Ukrainians Appeal Fund	\$ 1,952,945	911,549	-	828,483	-	2,036,011
Druzi-Dzherelo Fund	739,171	261,711	32,512	225,751	-	807,643
Holodomor Awareness Fund	278,537	107,485	-	311,605	-	74,417
Holodomor Research and Education Centre in Ukraine	-	339,700	-	341,898	327,737	325,539
Jaroslav Zajszlyj Memorial Fund	46,102	-	2,603	462	-	48,243
Kovaluk Fund	84,401	5,639	4,858	11,490	-	83,408
National Holodomor Museum Fund	5,347	-	-	-	-	5,347
Canada Ukraine Surgical Aid Program (CUSAP) Fund	(708,676)	3,069,242	-	1,341,448	-	1,019,118
The Cosbild Ukrainian Culture Fund	77,359	-	3,122	555	-	79,926
Ukraine Humanitarian Appeal Fund	25,775,792	9,413,218	348,347	27,499,670	-	8,037,687
Veterans of Ukraine Humanitarian Fund	137,242	59,562	-	1,896	-	194,908
Aid for Artists in Ukraine Fund	-	81,771	-	-	-	81,771
	<u>\$ 28,388,220</u>	<u>14,249,877</u>	<u>391,442</u>	<u>30,563,258</u>	<u>327,737</u>	<u>12,794,018</u>
2022						
	<u>2021</u>	<u>Grants/ donations</u>	<u>Investment income (loss)</u>	<u>Expenses</u>	<u>Inter-fund transfers</u>	<u>2022</u>
Displaced Ukrainians Appeal Fund	\$ -	2,183,331	-	230,386	-	1,952,945
Druzi-Dzherelo Fund	826,958	126,427	(6,017)	208,197	-	739,171
Holodomor Awareness Fund	351,407	308,939	-	381,809	-	278,537
Jaroslav Zajszlyj Memorial Fund	49,589	550	(3,566)	471	-	46,102
Kovaluk Fund	86,750	4,509	(6,071)	787	-	84,401
National Holodomor Museum Fund	5,347	-	-	-	-	5,347
Canada Ukraine Surgical Aid Program (CUSAP) Fund	-	655,840	-	1,364,516	-	(708,676)
The Cosbild Ukrainian Culture Fund	82,744	-	(4,828)	557	-	77,359
Ukraine Humanitarian Appeal Fund	-	50,555,921	365,640	25,145,769	-	25,775,792
Veterans of Ukraine Humanitarian Fund	-	106,488	4	4,125	34,875	137,242
Vitaliy Skakun Fund	-	14,706	-	-	(14,706)	-
	<u>\$ 1,402,795</u>	<u>53,956,711</u>	<u>345,162</u>	<u>27,336,617</u>	<u>20,169</u>	<u>28,388,220</u>

(i) During the year, a transfer of \$327,737 was made from the Ukrainian Leadership Academy for the purpose in Note 3(c)(iv).