

**CANADA-UKRAINE FOUNDATION**  
**INDEPENDENT AUDITOR'S REPORT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

# **CANADA-UKRAINE FOUNDATION**

**DECEMBER 31, 2022**

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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, 2022, and the statements 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, the accompanying financial statements present fairly, in all material respects, the financial position of Canada-Ukraine Foundation as at December 31, 2022, 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 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.

*Port Group*

**Winnipeg, Manitoba  
June 3, 2023**

**CHARTERED PROFESSIONAL  
ACCOUNTANTS INC.**



**CANADA-UKRAINE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Endowment Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 8,860,020	270,798	-	9,130,818	890,907
Short-term investments (Note 4)	-	24,164,372	-	24,164,372	-
Accounts receivable	-	-	-	-	5,985
Prepays	8,670	-	-	8,670	521
HST recoverable	68,281	-	391	68,672	22,573
Interfund balances (Note 30)	<u>(4,929,789)</u>	<u>4,927,899</u>	<u>1,890</u>	-	-
	4,007,182	29,363,069	2,281	33,372,532	919,986
<b>INVESTMENTS (Note 5)</b>	-	507,745	595,430	1,103,175	1,161,108
<b>INCORPORATION COSTS (Note 2(c))</b>	-	-	-	-	47,882
<b>TANGIBLE CAPITAL ASSETS (Note 6)</b>	<u>251,135</u>	-	-	<u>251,135</u>	<u>259,494</u>
	<u>\$ 4,258,317</u>	<u>29,870,814</u>	<u>597,711</u>	<u>34,726,842</u>	<u>2,388,470</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 32,411	235,237	-	267,648	23,808
<b>NET ASSETS</b>					
Internally restricted (Appendix 1)	-	1,247,357	-	1,247,357	124,421
Externally restricted (Appendix 2)	-	28,388,220	-	28,388,220	1,402,795
Unrestricted	4,225,906	-	-	4,225,906	216,172
Endowment fund	-	-	597,711	597,711	621,274
	<u>4,225,906</u>	<u>29,635,577</u>	<u>597,711</u>	<u>34,459,194</u>	<u>2,364,662</u>
	<u>\$ 4,258,317</u>	<u>29,870,814</u>	<u>597,711</u>	<u>34,726,842</u>	<u>2,388,470</u>

APPROVED BY THE BOARD:

 Bradley J. Proulx Director

 [Name] Director

**CANADA-UKRAINE FOUNDATION  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2022**

	General Fund	Designated Funds	Endowment Fund	Total 2022	Total 2021
<b>REVENUE</b>					
Humanitarian project donations	\$ -	53,409,798	-	53,409,798	-
Donations	2,467,294	1,462,307	-	3,929,601	2,885,971
Processing fees and reimbursements (Note 33)	2,693,645	2,041	-	2,695,686	56,050
Investment income	21,021	373,592	10,818	405,431	93,652
Government grants (Note 13)	9,176	299,250	-	308,426	39,220
	<u>5,191,136</u>	<u>55,546,988</u>	<u>10,818</u>	<u>60,748,942</u>	<u>3,074,893</u>
<b>EXPENSES</b>					
Accounting	11,308	-	-	11,308	14,679
Administration	11,329	-	-	11,329	615
Advertising	14,183	-	-	14,183	-
Amortization of tangible capital assets	9,109	-	-	9,109	102,410
Audit	35,552	-	-	35,552	29,074
Bad debts	-	-	-	-	435
Bank charges	56,519	-	-	56,519	2,013
Communication expenses	72,276	-	-	72,276	20,076
Conference costs	6,250	-	-	6,250	-
Contractor fees	7,907	-	-	7,907	14,552
General projects	814,172	-	-	814,172	900,261
Insurance	11,898	-	-	11,898	11,155
Legal fees	26,449	-	-	26,449	-
Memberships	350	-	-	350	350
Office and postage	46,123	-	-	46,123	2,383
Project expenses (Appendix 1 and 2)	-	27,407,202	4,489	27,411,691	2,015,342
Salaries and benefits	42,590	-	-	42,590	17,993
Travel	11,586	-	-	11,586	-
Website	10,913	-	-	10,913	21,042
	<u>1,188,514</u>	<u>27,407,202</u>	<u>4,489</u>	<u>28,600,205</u>	<u>3,152,380</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	4,002,622	28,139,786	6,329	32,148,737	(77,487)
<b>OTHER ITEMS</b>					
Unrealized investment gain (loss)	-	(30,854)	(29,892)	(60,746)	91,352
Realized foreign exchange gain	6,541	-	-	6,541	41,854
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 4,009,163</u>	<u>28,108,932</u>	<u>(23,563)</u>	<u>32,094,532</u>	<u>55,719</u>

**CANADA-UKRAINE FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Designated Funds</u>	<u>Endowment Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
NET ASSETS, BEGINNING OF YEAR	\$ 216,172	1,527,216	621,274	2,364,662	2,308,943
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	4,009,163	28,108,932	(23,563)	32,094,532	55,719
INTERFUND TRANSFERS (Notes 23 and 24)	<u>571</u>	<u>(571)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 4,225,906</u>	<u>29,635,577</u>	<u>597,711</u>	<u>34,459,194</u>	<u>2,364,662</u>

**CANADA-UKRAINE FOUNDATION  
STATEMENT OF CASH FLOW  
YEAR ENDED DECEMBER 31, 2022**

**CASH PROVIDED BY (USED IN):**

**OPERATING ACTIVITIES**

Excess (deficiency) of revenue over expenses	\$ 4,009,163	28,108,932	(23,563)	32,094,532	55,719
Add back (deduct) non-cash items:					
Amortization of tangible capital assets	9,109	-	-	9,109	102,410
Accrued interest on short-term investments	-	(146,500)	-	(146,500)	-
Expensing of incorporation costs	-	47,882	-	47,882	-
Unrealized loss (gain) on investments	-	30,854	29,892	60,746	(163,733)
	4,018,272	28,041,168	6,329	32,065,769	(5,604)
Change in non-cash working capital:					
Accounts receivable	5,985	-	-	5,985	187,567
Prepaids	(8,149)	-	-	(8,149)	(83)
HST recoverable	(46,085)	-	(14)	(46,099)	69,980
Accounts payable and accrued liabilities	19,409	224,431	-	243,840	19,005
	3,989,432	28,265,599	6,315	32,261,346	270,865

**INVESTING ACTIVITIES**

Purchase of tangible capital assets	(750)	-	-	(750)	(1,025)
Purchase of short-term investments	-	(27,148,544)	-	(27,148,544)	-
Purchase of investments	-	(16,875)	(5,938)	(22,813)	-
Proceeds from the sale of short-term investments	-	3,130,672	-	3,130,672	-
Proceeds from the sale of investments	-	20,000	-	20,000	15,633
	(750)	(24,014,747)	(5,938)	(24,021,435)	14,608

**FINANCING ACTIVITIES**

Change in interfund balance	4,684,904	(4,684,527)	(377)	-	-
	8,673,586	(433,675)	-	8,239,911	285,473
<b>CHANGE IN CASH</b>					
<b>CASH, BEGINNING OF YEAR</b>	186,434	704,473	-	890,907	605,434
<b>CASH, END OF YEAR</b>	\$ 8,860,020	270,798	-	9,130,818	890,907



**CANADA-UKRAINE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**1. ACCOUNTING ENTITY**

Canada-Ukraine Foundation (the "Foundation"), is incorporated federally, is a registered charitable organization and is exempt from income taxes under the provisions of the Income Tax Act of Canada. The Foundation's objectives are to relieve poverty, advance education, advance 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).

**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) Fund Accounting**

The Foundation accounts for its operation using fund accounting and maintains the following funds:

The **General Fund**, which reports the general activities of the Foundation, including administration.

The **Designated Funds**, which report the specified uses of the Foundation's externally and internally restricted funds.

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.

**(b) 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.

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

**(c) Incorporation Costs**

Incorporation costs represent the legal fees incurred in connection with setting up a charitable foundation in the United States. During the year, the formerly capitalized incorporation costs were expensed in the statement of operations as the incorporated entity is not currently actively used for fundraising or other purposes.

**(d) Contributed Services and Donated Materials**

Contributed services and donated materials are not recognized in the financial statements due

**CANADA-UKRAINE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

to the difficulty in determining their fair value.

**CANADA-UKRAINE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Revenue Recognition**

The Foundation follows the restricted fund method of accounting for contributions. Unrestricted contributions/donations are recognized as revenue in the General Fund when in the year in which they are received. Restricted contributions/donations are recognized as revenue in the appropriate restricted fund in the year in which they are received.

Investment income is accrued as it is earned.

**(f) Foreign Currency**

Accounts in foreign currencies are being translated to Canadian dollars using current rates of exchange for current assets and liabilities and daily rate of exchange for revenue and expenses. Gains or losses resulting from these translation adjustments are being included in the statement of operations and changes in net assets.

**(g) Financial Instruments**

Financial instruments held by the Foundation include cash, accounts receivable, short-term investments, 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.

**(h) 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. 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 bearing interest at 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, 2022 the line of credit was not used and there are no fees charged by UCU if the line of credit is not used.

**4. SHORT-TERM INVESTMENTS**

Short-term investments consist of guaranteed investment certificates maturing in the next fiscal year with interest rates ranging from 0.60% to 2.60% and mature within twelve months of the fiscal year-end. As of December 31, 2022, the Foundation has a short-term investments balance of \$24,164,372 (2021 - \$nil).

**CANADA-UKRAINE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**5. INVESTMENTS**

The Foundation has invested in bonds and equities with the Taras Shevchenko Foundation, EdgePoint Wealth Management Inc., and Assante Wealth Management. Investments at December 31, 2022 consist of the following:

	2022		2021	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Taras Shevchenko Foundation				
Cosbild Fund	\$ 65,736	54,675	85,377	80,060
Kovaluk Fund	97,596	85,084	90,358	85,430
Jaroslaw Zajszyj Memorial Fund	51,997	45,594	51,597	49,610
Liubov Fund	<u>41,630</u>	<u>36,501</u>	<u>36,286</u>	<u>34,716</u>
	256,959	221,854	263,618	249,816
EdgePoint Wealth Mgmt				
Taras Shevchenko Windsor (Endowment)	567,180	595,430	561,241	619,384
Assante Wealth Management				
Druzi-Dzherelo	<u>259,184</u>	<u>285,891</u>	<u>255,651</u>	<u>291,908</u>
	<u>\$ 1,083,323</u>	<u>1,103,175</u>	<u>1,080,510</u>	<u>1,161,108</u>

**6. TANGIBLE CAPITAL ASSETS**

	2022		2021	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Holodomor bus	\$ 755,277	505,277	755,277	509,812
Computers	117,104	115,969	116,354	102,325
Furniture and fixtures	<u>1,140</u>	<u>1,140</u>	<u>1,140</u>	<u>1,140</u>
	<u>873,521</u>	<u>622,386</u>	<u>872,771</u>	<u>613,277</u>
Net book value	<u>\$ 251,135</u>		<u>259,494</u>	

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

**7. COMMITMENTS**

Leases - The Foundation entered into a new lease agreement for the storage of the Holodomor Tour bus covering a three year term from June 1, 2022 - May 31, 2025. The annual minimum lease commitment is \$37,392. In addition, the Foundation currently has a lease agreement in place for its office premises at the annual rate of \$1,500 per month.

**CANADA-UKRAINE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**8. THE UKRAINIAN CANADIAN FOUNDATION OF TARAS SHEVCHENKO ENDOWMENT FUND**

The Ukrainian Canadian Foundation of Taras Shevchenko 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, 2022, the income allocation was \$20,928 (2021 - \$13,563), which is included in the general investment income. During the year The Ukrainian Canadian Foundation of Taras Shevchenko contributed another \$171,970 to the fund from proceeds raised at a special fundraising event held in May 2022. The fair market value of the endowment fund at December 31, 2022 was \$319,593 (2021 - \$174,295).

**9. 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.

**10. DEFENDERS OF UKRAINE FUND**

During the year, this fund was converted to the Veterans of Ukraine Humanitarian Fund.

**11. 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.

**12. 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.

**CANADA-UKRAINE FOUNDATION  
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YEAR ENDED DECEMBER 31, 2022**

**13. 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.

The fund received contributions and donations during the year ended December 31, 2022 in the amount of \$308,939 (2021 - \$32,769). Included in contributions and donations is funding from the Province of Ontario in the amount of \$299,250 (2021 - \$24,900).

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.

**14. HOLODOMOR RESEARCH AND EDUCATION CENTRE IN UKRAINE (HREC IN UKRAINE)**

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".

**15. 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.

**16. KOVALUK FUND**

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

**17. LIUBOV PROJECT FUND**

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

**18. 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.

**CANADA-UKRAINE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**19. 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 is 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.

**20. 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.

**21. 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.

**22. UGCC (UKRAINIAN GREEK CATHOLIC CHURCH) 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 balance of funds will be returned for ongoing maintenance costs.

**23. UKRAINE 2020 FLOOD RELIEF FUND**

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

**24. 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 year this fund was closed out and remaining funds in the account were transferred to the General Fund.

**25. UKRAINIAN LEADERSHIP ACADEMY**

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.

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**26. 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 to the newly created Kyiv Mohyla Foundation in Canada.

**27. 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. 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 2022

In Ukraine: Emergency Food kits; Emergency medical and hygiene kits; Emergency shelters; Demining Robots; Canada Ukraine Surgical Assistance Program; Ambulances; Firefighters equipment; generators; Trauma/psychological therapy for children and adults

In Canada: Displaced Persons Settlement programs

**28. 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.

**29. 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 year the balance of funds in this account were transferred to the Veterans of Ukraine Humanitarian Fund.



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**30. INTERFUND BALANCES**

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

**31. 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, 2022, the Foundation has a cash balance of \$9,130,818 (2021 - \$890,907) to cover financial liabilities of \$267,648 (2021 - \$23,808). 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.

**(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.

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**32. FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market Risk (continued)**

**(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 majority of long-term investments are managed by professional investment advisors.

**(d) Capital Management**

The Foundation's objective when managing capital is to maintain and grow capital while using the income generated from capital to cover the costs of operations and promote scholarly studies, publications and conferences through grants, fellowships and awards. The Foundation's capital consists of externally restricted net assets and unrestricted net assets.

The Foundation's capital management policy is to:

- (i) Maintain and grow capital to produce sufficient income to meet its objectives through its net assets by managing cash and investments in conjunction with expected capital needs;
- (ii) Meet short-term capital needs with ongoing management of cash on hand and investments; and
- (iii) Meet long-term capital needs through growth of operations.

There were no changes in the Foundation's approach to capital management during the period.

**32. PROCESSING FEES AND REIMBURSEMENTS**

The Foundation charges processing fees for the receipt and administration of donations for their intended purpose ranging from 2% to 5% on the gross amount of donations which gets reported as revenue in the General Fund.

**33. COMPARATIVE FIGURES**

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

# Appendix 1

## ANADA-UKRAINE FOUNDATION

### SCHEDULE OF INTERNALLY RESTRICTED FUNDS

#### YEAR ENDED DECEMBER 31, 2022

	Balance, January 1, 2022	Grants/ Donations/ Fees	Investment Income (loss)	Expenses	Transfer In (out)	Balance, December 31, 2022
Alberta Learning Fund (Note 9)	\$ 17,662	-	-	-	-	17,662
Defenders of Ukraine (Note 10)	20,169	-	-	-	(20,169)	-
Liubov Project Fund (Note 17)	70,557	67,086	(2,424)	45,564	-	89,655
CUF Medical Program Fund (Note 18)	-	514,510	-	19,244	-	495,266
UGCC Sobor Fund (Note 22)	6,297	-	-	-	-	6,297
Ukraine 2020 Flood Relief Fund (Note 23)	562	-	-	-	(562)	-
Ukraine Rebuilding Fund (Note 24)	5,786	-	-	5,777	(9)	-
Ukrainian Leadership Academy (Note 25)	-	635,089	-	-	-	635,089
University of Kyiv-Mohyla Fund (Note 26)	3,388	-	-	-	-	3,388
Total - 2022	\$ 124,421	1,216,685	(2,424)	70,585	(20,740)	1,247,357

	Balance, January 1, 2021	Grants/ Donations/ Fees	Investment Income (loss)	Expenses	Transfer In (out)	Balance, December 31, 2021
Alberta Learning Fund (Note 9)	\$ 17,662	-	-	-	-	17,662
Defenders of Ukraine (Note 10)	9,663	11,095	-	589	-	20,169
Hebron Project	(22)	-	-	-	22	-
Liubov Project Fund (Note 17)	67,209	26,811	4,271	27,734	-	70,557
CUF Medical Program Fund (Note 18)	-	50,543	-	61,999	11,456	-
UGCC Sobor Fund (Note 22)	6,297	-	-	-	-	6,297
Ukraine 2020 Flood Relief Fund (Note 23)	25,097	500	-	25,035	-	562
Ukraine Rebuilding Fund (Note 24)	-	9,606	-	3,820	-	5,786
Ukrainian Leadership Academy (Note 25)	1,009	898,856	-	930,069	30,204	-
University of Kyiv-Mohyla Fund (Note 26)	3,240	154	-	6	-	3,388
Total - 2021	\$ 130,155	997,565	4,271	1,049,252	41,682	124,421

## Appendix 2

### ANADA-UKRAINE FOUNDATION

#### SCHEDULE OF EXTERNALLY RESTRICTED FUNDS

YEAR ENDED DECEMBER 31, 2022

	Balance, January 1, 2022	Grants/ Donations/ Fees	Investment Income (loss)	Expenses	Transfer In (out)	Balance, December 31, 2022
Displaced Ukrainians Appeal Fund (Note 11)	-	2,183,331	-	230,386	-	1,952,945
Druzi-Dzherelo (Note 12)	\$ 826,958	126,427	(6,017)	208,197	-	739,171
Holodomor Awareness Fund (Note 13)	351,407	308,939	-	381,809	-	278,537
Jaroslav Zajszlyj Memorial Fund (Note 15)	49,589	550	(3,566)	471	-	46,102
Kovaluk Fund (Note 16)	86,750	4,509	(6,071)	787	-	84,401
National Holodomor Museum Fund (Note 19)	5,347	-	-	-	-	5,347
Canada Ukraine Surgical Aid Program (CUSAP) Fund (Note 20)	-	655,840	-	1,364,516	-	(708,676)
The Cosbild Ukrainian Culture Fund (Note 21)	82,744	-	(4,828)	557	-	77,359
Ukraine Humanitarian Appeal Fund (Note 27)	-	50,555,921	365,640	25,145,769	-	25,775,792
Veterans of Ukraine Humanitarian Fund (Note 28)	-	106,488	4	4,125	34,875	137,242
Vitaliy Skakun Fund (Note 29)	-	14,706	-	-	(14,706)	-
Total - 2022	<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>

	Balance, January 1, 2021	Grants/ Donations/ Fees	Investment Income (loss)	Expenses	Transfer In (out)	Balance, December 31, 2021
Druzi-Dzherelo (Note 12)	\$ 377,347	542,520	45,552	138,461	-	826,958
Holodomor Awareness Fund (Note 13)	545,823	32,769	-	227,185	-	351,407
Holodomor Research and Education Centre in Ukraine (Note 14)	721	514,583	-	525,461	10,157	-
Jaroslav Zajszlyj Memorial Fund (Note 15)	47,031	-	6,319	3,761	-	49,589
Kovaluk Fund (Note 16)	80,436	11,116	10,808	15,610	-	86,750
National Holodomor Museum Fund (Note 19)	50,000	5,100	-	49,753	-	5,347
The Cosbild Ukrainian Culture Fund (Note 21)	74,558	-	9,717	1,531	-	82,744
Total - 2021	<u>\$ 1,175,916</u>	<u>1,106,088</u>	<u>72,396</u>	<u>961,762</u>	<u>10,157</u>	<u>1,402,795</u>

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