
Financial statements of
The Canadian Red Cross Society
Ukraine Humanitarian Appeal Fund

March 31, 2024

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Independent Auditor's Report

To the Board of Directors of the Canadian Red Cross Society

Opinion

We have audited the financial statements of the Canadian Red Cross Society – Ukraine Humanitarian Appeal Fund (the “Fund”), which comprise the statement of net funds available for beneficiaries as at March 31, 2024, the statement of changes in net funds available for beneficiaries for the year then ended and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statement of the Fund as at March 31, 2024, is prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Fund 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. As a result, the financial statements may not be suitable for another purpose. 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 of the financial statements in accordance with the basis of accounting described in Note 2, and for such internal control as management determines is necessary to enable the preparation of the 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 GAAS 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 this financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 Fund'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 Fund to cease to continue as a going concern.

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.

Deloitte LLP


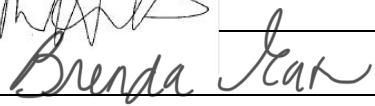
Chartered Professional Accountants
Licensed Public Accountants
June 25, 2024

The Canadian Red Cross Society
Ukraine Humanitarian Appeal Fund
Statement of net funds available for beneficiaries
As at March 31, 2024
(In thousands of dollars)

	2024			2023		
	Total Funds	Public Appeal	Government of Canada	Total Funds	Public Appeal	Government of Canada
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash and cash equivalents						
Externally restricted	47,565	47,552	13	59,728	59,605	123
Receivable from Global Affairs Canada	12	—	12	—	—	—
	47,577	47,552	25	59,728	59,605	123
Liabilities						
Current liabilities						
Payable to the Canadian Red Cross Society	1,828	1,828	—	3,735	3,735	—
Net funds available for beneficiaries	45,749	45,724	25	55,993	55,870	123

The accompanying notes are an integral part of the fund financial statements.

On behalf of the Board:

 _____, Chair
 _____, Chair, Audit and Finance Committee

The Canadian Red Cross Society

Ukraine Humanitarian Appeal Fund

Statement of changes in net funds available for beneficiaries

Year ended March 31, 2024

(In thousands of dollars)

		2024			2023		
	Notes	Total Funds	Public Appeal	Government of Canada	Total Funds	Public Appeal	Government of Canada
		\$	\$	\$	\$	\$	\$
Increase in funds							
	3	5,526	5,514	12	78,400	65,530	12,870
		2,931	2,929	2	1,739	1,651	88
		8,457	8,443	14	80,139	67,181	12,958
Decrease in funds							
		16,384	16,272	112	99,526	66,691	32,835
		2,233	2,233	—	1,680	1,680	—
	3	84	84	—	1,023	1,023	—
		18,701	18,589	112	102,229	69,394	32,835
Net funds available for beneficiaries, beginning of period		55,993	55,870	123	78,083	58,083	20,000
Net funds available for beneficiaries, end of the period		45,749	45,724	25	55,993	55,870	123

The accompanying notes are an integral part of the fund financial statements.

1. Purpose and authority of the fund

The Canadian Red Cross Society – Ukraine Humanitarian Appeal Fund (the "Fund") was launched as an appeal by the Canadian Red Cross Society (the "Society") on February 24, 2022.

The Society established the Fund to respond to those affected by this ongoing crisis. Donations will enable the Society and the International Red Cross and Red Crescent Movement to respond to humanitarian needs in Ukraine and surrounding countries, including immediate and ongoing relief efforts, as well as preparedness as more people seek safety in neighboring countries, long-term recovery and resiliency.

2. Significant accounting policies

Basis of presentation

The accompanying financial statements reflect the net funds available for beneficiaries and the changes in net funds available for beneficiaries of the Fund. The Fund financial statements reflect only those financial activities associated with the Ukraine crisis.

The Fund is an unincorporated operating segment of the Society. Accordingly, these financial statements may not be indicative of the financial activity that would have been achieved if the Fund operated as an unaffiliated organization.

The net funds available for beneficiaries as at March 31, 2024 are presented in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

Donations, including government matching funds, are recognized when received or receivable.

Externally restricted contributions that have not been expended are recorded as net funds available for beneficiaries on the statement of net funds available for beneficiaries.

(b) Donated services

The Fund benefits from donated services in the form of volunteer work for various activities. The value of donated services is not recognized in these financial statements because of the difficulty of measurement.

(c) Cash and cash equivalents

Cash and cash equivalents are externally restricted for the Ukraine Humanitarian Appeal Fund and are not available for the Society's general operations.

3. Appeal support

The fundraising costs related to this emergency appeal will not exceed 5% of the total funds raised through the public appeal, excluding the matching funds from Global Affairs Canada.

4. Contractual obligations and commitments

The Society has committed to a total amount of \$10.4 million (\$13.2 million in 2023) under signed contracts where services have yet to be delivered. In addition, a further \$3.3 million (\$3.3 million in 2023) of uncontracted commitments have been agreed upon.

5. Cumulative spend

The Society has received funding of \$225.2 million (\$219.6 million in 2023), has earned investment income of \$4.7 million (\$1.7 million in 2023) and has spent \$184.1 million (\$165.4 million in 2023) since February 2022 in services providing relief and direct assistance for those affected in the form of cash financial assistance, relief supplies and programming support. The Society has committed to spend the remaining \$45.7 million (\$56.0 million in 2023) on the existing commitments and address urgent needs.