

**UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF
SASKATCHEWAN**

Financial Statements

For the Year Ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Ukrainian Catholic Episcopal Corporation of Saskatchewan

Qualified Opinion

We have audited the financial statements of Ukrainian Catholic Episcopal Corporation of Saskatchewan (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

Lingard + Dreger

Chartered Professional Accountants

**Saskatoon, Saskatchewan
May 30, 2024**



UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Financial Position

As at December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 645,060	\$ 354,831
Short-term investments (Note 3)	115,633	887,397
Accounts receivable (Note 4)	152,520	47,598
Prepaid expenses	5,539	5,697
Current portion of loans receivable (Note 5)	204,000	204,000
	1,122,752	1,499,523
LONG-TERM INVESTMENTS (Note 3)	695,771	248,906
TANGIBLE CAPITAL ASSETS (Note 6)	531,563	550,116
SASKATOON CO-OP EQUITY	462	462
CEMETERY PLOTS	18,979	18,979
	\$ 2,369,527	\$ 2,317,986
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 75,190	\$ 12,244
Mass stipends payable	1,000	2,000
Deferred contributions (Note 7)	412,973	423,379
	489,163	437,623
NET ASSETS		
UNRESTRICTED	1,268,990	1,250,436
INTERNALLY RESTRICTED	79,811	79,811
INVESTED IN CAPITAL ASSETS	531,563	550,116
	1,880,364	1,880,363
	\$ 2,369,527	\$ 2,317,986

CONTINGENCIES

APPROVED ON BEHALF OF THE EPARCHY

Director

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Operations

For the Year Ended December 31, 2023

	2023	2022
REVENUE		
Parish Cathedraticum	\$ 151,804	\$ 149,212
Parish assessment for clergy assessment	27,437	26,972
Parish assessment for liability insurance	23,509	21,198
Donations and contributions		
Canadian Conference of Catholic Bishops collection	4,292	1,062
Catholic Missions in Canada	146,379	108,320
Eparchial Appeal	60,799	53,033
Eparchial charities	4,005	3,793
Eparchial Communication Office	38,366	38,696
Family Life and Human & Environmental Ministry	32,197	57,465
Knights of Columbus	419	519
Other donations and contributions	17,378	31,895
Seminary offerings and donations	60,741	31,325
St. Volodymyr Park	2,457	771
Stewardship funding	13,986	18,916
Youth ministry contributions	57,732	25,230
Transfer from Yuras estate fund (Note 8)	-	99,846
Parish collections (Schedule 1)	61,574	24,185
Investment income	23,890	18,392
Miscellaneous - certificates, dispensation income, scrolls and books	932	585
Rental revenue	10,800	10,800
Expense recoveries	16,561	8,257
Gain (loss) on disposal of tangible capital assets	(554)	2,442
Rev Fr Iwaszko Book and Plaque	-	28,591
	754,704	761,505
EXPENSES		
Administration (Schedule 2)	120,257	125,272
Assessments and dues (Schedule 2)	72,445	39,744
Donations and contributions (Schedule 2)	87,533	93,327
Eparchial Communications Office	39,086	38,696
Eparchial, parish and clergy needs (Schedule 2)	239,031	172,673
Eparchial stewardship expenses	61,220	123,723
Family Life and Human & Environmental Ministry	32,197	74,964
Occupancy costs (Schedule 2)	32,466	41,695
Rev Fr Iwaszko Book and Plaque	-	28,591
Travel, meetings and conferences (Schedule 2)	620	9,506
Youth and young adult ministry (Schedule 2)	69,848	39,330
	754,703	787,521
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 1	\$ (26,016)

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

**Statement of Changes in Net Assets
For the Year Ended December 31, 2023**

	Unrestricted	Internally restricted	Invested in capital assets	2023	2022
NET ASSETS -					
BEGINNING OF YEAR	\$ 1,250,436	\$ 79,811	\$ 550,116	\$ 1,880,363	\$ 1,906,379
Excess (deficiency) of revenue over expenses	1	-	-	1	(26,016)
Transfer for amortization	19,789	-	(19,789)	-	-
Transfer for capital purchases	(2,310)	-	2,310	-	-
Transfer for capital dispositions	1,074	-	(1,074)	-	-
NET ASSETS - END OF YEAR	\$ 1,268,990	\$ 79,811	\$ 531,563	\$ 1,880,364	\$ 1,880,363

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Cash Flows

For the Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 1	\$ (26,016)
Items not affecting cash:		
Amortization of tangible capital assets	19,788	25,298
Loss (gain) on disposal of tangible capital assets	554	(2,442)
	20,343	(3,160)
Changes in non-cash working capital:		
Accounts receivable	(104,922)	7,549
Prepaid expenses	158	(665)
Accounts payable and accrued liabilities	62,947	(14,618)
Mass stipends payable	(1,000)	-
Deferred contributions	(10,406)	68,731
	(53,223)	60,997
Cash flow from (used by) operating activities	(32,880)	57,837
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,310)	(1,694)
Proceeds on disposal of tangible capital assets	520	18,000
Purchase of investments	(527,668)	(83,042)
Proceeds on disposal of investments	872,094	83,042
Reinvested interest	(19,527)	(18,199)
Cash flow from (used by) investing activities	323,109	(1,893)
INCREASE IN CASH AND CASH EQUIVALENTS	290,229	55,944
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	354,831	298,887
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 645,060	\$ 354,831
CASH CONSISTS OF:		
Cash	\$ 585,786	\$ 340,920
Cash equivalents	59,274	13,911
	\$ 645,060	\$ 354,831

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Notes to the Financial Statements

For the Year Ended December 31, 2023

1. NATURE OF OPERATIONS

Ukrainian Catholic Episcopal Corporation of Saskatchewan (the "Organization") is a not-for-profit entity incorporated under Federal statute and is a registered charity under the *Income Tax Act*.

The purpose of the Organization is to administer the property, business, temporal and spiritual affairs of the Eparchy of Saskatoon in accordance with the *Code of Canon Law of the Eastern Churches*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook - Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include grants and donations. Grants and bequests are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Parish cathedraticum and assessments are recorded as revenue when assessed.

Rental revenue is recognized when the services have been provided.

Investment income is recorded in the statement of operations when earned.

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with original maturities of three months or less.

Tangible capital assets

Purchased tangible capital assets are recorded at acquisition cost, less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of acquisition.

The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. Amortization is recorded on the difference between the cost and the residual value. Annual amortization rates are as follows:

Chancery	4%
Office equipment	20%
Vehicle	30%

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that the Organization designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of operations in the period during which they are incurred.

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UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Notes to the Financial Statements

For the Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets subsequently measured at amortized cost include cash and cash equivalents, investments, accounts receivable and loans receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, and mass stipends payable. The fair value of the cash and cash equivalents, investments, accounts receivable, loans receivable, accounts payable and accrued liabilities, and mass stipends payable approximates their carrying value due to their short-term nature.

The Organization's investment in Saskatoon Co-op is recorded at original cost, plus undistributed patronage allocations.

Allocation of expenses

The costs of personnel and other expenses directly related to functions are allocated to each function. General support and other costs are not allocated.

Contributed services and materials

Volunteers assist the Organization in carrying out its service delivery activities. As a result of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are also not recorded in the accounts.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

Related party transactions

The Organization assesses a cathedraticum on all active Ukrainian Catholic Parishes in the Eparchy of Saskatoon. This cathedraticum is used by the Episcopal Corporation to conduct its activities. In the current year, this cathedraticum amounted to 20% of the Organization's revenue (2021 - 15%). These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Government assistance

Amounts received or receivable resulting from government assistance programs are accounted for as revenue when the Organization becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized.

3. INVESTMENTS

	Maturity	2023	Yield	2022
Short-term				
Term deposits	< 1 year	\$ 115,633	1.95%	\$ 887,397
Long-term				
Term deposits	2 - 3 years	695,771	1.35% - 4.00%	248,906
		\$ 811,404		\$ 1,136,303

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Notes to the Financial Statements

For the Year Ended December 31, 2023

4. ACCOUNTS RECEIVABLE

	2023	2022
Trade receivables	\$ 103,911	\$ 84,142
Allowance for doubtful accounts	(53,620)	(56,316)
Net trade receivables	50,291	27,826
Due from St. Matthew's Clergy	12,669	11,789
GST receivable	3,048	3,945
Other receivables	86,512	4,038
	\$ 152,520	\$ 47,598

5. LOANS RECEIVABLE

	2023	2022
3.00% St. Michael's Ukrainian Catholic Church Camp Inc. loan receivable, interest and principal are payable monthly	\$ 204,000	\$ 204,000
Amounts receivable within one year	(204,000)	(204,000)
	\$ -	\$ -

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Chancery	\$ 714,643	\$ 206,935	\$ 507,708	\$ 521,532
Office equipment	117,642	93,787	23,855	28,584
	\$ 832,285	\$ 300,722	\$ 531,563	\$ 550,116

7. DEFERRED CONTRIBUTIONS

Deferred contributions consists of the following:

	2022	Contributions	Disbursements	2023
Annual Eparchial Appeal	\$ 153,694	\$ 83,192	\$ (78,522)	\$ 158,364
Geraldine Koban Faith Formation Fund	100,000	1,950	-	101,950
Other deferred contributions	169,685	74,079	(91,105)	152,659
Total deferred contributions	\$ 423,379	\$ 159,221	\$ (169,627)	\$ 412,973

8. ESTATE OF MIKE YURAS

During 2011, the Organization was the recipient of a bequest from the Estate of Mike Yuras to be used in providing for the education of candidates for the priesthood and to contribute to the growth and expansion of the Ukrainian Greek Catholic Church in the province of Saskatchewan. The Bishop has directed that this bequest be maintained until such a time that some parameters are established as to what the fund will be used for in future years. As at December 31, 2023 the funds have been fully distributed.

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Notes to the Financial Statements

For the Year Ended December 31, 2023

9. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. Changes in market interest rates may have an effect on the cash flows associated with some financial assets, known as cash flow risk, and on the fair value of other financial assets, known as price risk.

The Organization is exposed to interest rate risk with respect to its \$811,404 (2022 - \$1,136,303) in term deposits and guaranteed investment certificates, with fixed interest rates ranging from 1.35% to 4.00%.

Credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of investments, accounts receivable and loans receivable. It is management's opinion that the Organization's credit risk is minimal, as its investments are primarily in fixed income instruments issued by a number of Canadian financial institutions.

10. SUBSEQUENT EVENT

On January 5, 2024 the Organization entered into a life lease agreement for a unit at St. Volodymyr Manor for a loan amount of \$287,000. The lease can be terminated upon 90 days' notice, at which point the loan is repayable to the Organization for an appraised redemption value less a redemption fee. The unit is intended to be available for use by the Eparchial Bishop of the Eparchy of Saskatoon.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Schedule of Parish Collections
(Schedule 1)

For the Year Ended December 31, 2023

	2023	2022
Parish collections		
Parish support donations	\$ 48,824	\$ 8,724
Aid for Ukraine Contributions	4,242	5,010
Collections - Donetsk-Kharkiw	2,115	3,873
Catholic Missions - collections	1,777	1,934
Collections - Holy Land Support	3,095	2,787
Peter's Pence & Papal Charities	1,326	1,078
St. Andrew's Pence	-	779
Donations - Cathedral in Kyiv	195	-
Parish collections total	\$ 61,574	\$ 24,185

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

**Schedule of Operating Expenses
(Schedule 2)**

For the Year Ended December 31, 2023

	2023	2022
Administration		
Amortization	\$ 19,788	\$ 25,298
Bank charges	145	448
Books and subscriptions	3,678	3,507
Marriage Tribunal	1,050	-
Office equipment rental	437	416
Office supplies and postage	6,230	3,197
Professional fees	19,208	23,718
Salaries and benefits	65,344	60,411
Telephone and cable	4,377	8,277
	120,257	125,272
Assessments and dues		
Annual corporate license	40	40
Canadian Conference of Catholic Bishops	15,053	10,712
Canadian Council of Charities	1,104	751
Catholic Health Association of Saskatchewan	3,715	3,715
Holy Spirit Seminary	34,869	6,794
Ukrainian Catholic Bishops Synod	17,664	17,732
	72,445	39,744
Donations and contributions		
Aid for Ukraine	4,242	5,010
Beatification funds	740	229
Catholic Missions in Canada	1,777	1,934
Donation - Cathedral in Kiev	195	-
Donetz/Kharkiw Eparchy	2,115	3,873
Holy Land/Lenten charities	3,095	2,787
Peter's Pence	1,326	1,078
St. Andrew's Pence	-	779
Ukrainian Catholic Religious Education Centre	69,318	71,776
Various Catholic schools, choirs, youth organizations and community support	4,725	5,861
	87,533	93,327
Eparchial, parish and clergy needs		
Clergy insurance fund contribution	27,437	26,972
Clergy support	13,881	32,462
Demolition costs - Meacham Church	29,952	-
St. Matthew Clergy	8,319	10,196
Eparchial Study Days/Clergy Retreat	4,066	8,227
Lay formation	10,000	12,000
Meetings	1,338	2,215
Parishes liability insurance	25,155	24,263
Parish support	69,825	9,034
Seminarian dues and support	44,530	41,872
St. Volodymyr Park	4,528	5,432
	\$ 239,031	\$ 172,673

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UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

**Schedule of Operating Expenses (continued)
(Schedule 2)**

For the Year Ended December 31, 2023

	2023	2022
<i>(continued)</i>		
Occupancy costs		
Chapel and religious articles	\$ 500	\$ 216
Household supplies and fixtures	1,580	3,780
Housekeeping	4,625	4,581
Insurance	5,926	5,124
Property taxes	7,740	10,579
Repairs and maintenance	1,837	7,166
Utilities	10,258	10,249
	32,466	41,695
Travel, meetings and conferences		
Chancery office and clergy travel	240	6,952
Travel	380	2,554
	620	9,506
Youth and young adult ministry		
Program expenses and travel	18,044	18,294
Telephone	-	60
World Youth Days	27,626	-
Youth camps	13,650	9,600
Youth ministry - wages	10,528	11,376
	\$ 69,848	\$ 39,330

See notes to the financial statements