

**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA**

**Financial Statements**

**December 31, 2025**

## INDEPENDENT AUDITORS' REPORT

To Bishop Bayda of The Ukrainian Catholic Episcopal Corporation of Eastern Canada:

### *Qualified Opinion*

We have audited the financial statements of The Ukrainian Catholic Episcopal Corporation of Eastern Canada ("the Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, the statement of changes in net assets and the statement of 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, 2025, and its results of operations and its 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 non-profit organizations, the Organization derives revenue from contributions and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these sources of revenue was limited to the amounts recorded in the records of the Organization. We were unable to obtain sufficient appropriate audit evidence over and were consequently unable to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, current assets and net assets.

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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## INDEPENDENT AUDITORS' REPORT *(continued)*

### *Auditors' 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.

*Williams & Partners*

Chartered Professional Accountants LLP  
Licensed Public Accountants

Markham, Ontario  
June 9, 2026

**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA****Statement of Financial Position****December 31, 2025**

	2025	2024
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash ( <i>note 4</i> )	642,391	90,123
Short term investments ( <i>note 5</i> )	2,239,984	1,505,507
Accounts receivable	963,540	969,908
Government remittances receivable	141,334	115,696
Prepaid expenses	76,692	74,452
Current portion of loans receivable ( <i>note 7</i> )	7,156	7,167
Current portion of mortgage receivable ( <i>note 8</i> )	7,371	-
	4,078,468	2,762,853
Long term investments ( <i>note 6</i> )	749,710	1,718,866
Loans receivable ( <i>note 7</i> )	9,060	16,216
Mortgage receivable ( <i>note 8</i> )	436,804	-
Capital assets ( <i>note 9</i> )	1,452,542	1,885,139
Permanent member shares ( <i>note 10</i> )	150	150
	6,726,734	6,383,224
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	158,739	52,757
Unearned revenue ( <i>note 11</i> )	584,523	144,897
	743,262	197,654
<i>Commitments (note 12)</i>		
<b>Net Assets</b>		
Unrestricted fund	5,874,458	6,042,395
Internally restricted funds ( <i>note 13</i> )	109,014	143,175
	5,983,472	6,185,570
	6,726,734	6,383,224

**On behalf of the Executive**\_\_\_\_\_  
*Shareholder**See accompanying notes*

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**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA****Statement of Operations****Year Ended December 31, 2025**

	2025	2024
	\$	\$
Revenues		
Bishops dinner	188,748	-
Cathedraticum	481,780	1,099,598
Donations - other	464,450	110,903
Recovery of health premiums, salary and other	419,782	355,011
Recovery of property insurance premiums	360,761	351,081
Investment	100,987	114,588
Loan interest	11,486	850
ORAT revenues	86,364	-
Rental	16,800	19,150
	<u>2,131,158</u>	<u>2,051,181</u>
Expenditures		
Amortization	83,632	132,092
Assessments	56,742	87,107
Bingo	1,034	953
Patriarchal dues	95,647	-
Conferences and meetings	77,100	72,352
Donations	22,135	18,665
Eparchial events	83,073	395
Health benefits	206,681	220,350
ORAT expenditures	79,564	-
Occupancy costs	48,000	60,800
Office and general	68,057	100,652
Parish decommissioning	21,593	-
Professional fees	67,368	49,381
Property insurance	381,035	358,104
Repairs and maintenance	5,961	21,249
Residences	47,693	58,343
Salaries and benefits	990,679	874,376
Telephone and communications	31,394	20,267
Travel	52,064	47,851
Vehicle	27,876	31,971
	<u>2,447,328</u>	<u>2,154,908</u>
Excess (deficiency) of revenues over expenditures before undernoted items	<u>(316,170)</u>	<u>(103,727)</u>
Other income and expenses		
Gain on disposal of capital assets	99,176	-
Recovery of HST paid and other	14,896	23,350
	<u>114,072</u>	<u>23,350</u>
Excess (deficiency) of revenues over expenditures	<u>(202,098)</u>	<u>(80,377)</u>

**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2025**

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	General fund \$	Internally restricted funds \$	2025 \$	2024 \$
Balance, beginning	6,042,395	143,175	6,185,570	6,265,947
Excess (deficiency) of revenue over expenses ( <i>note 13</i> )	<u>(167,937)</u>	<u>(34,161)</u>	<u>(202,098)</u>	<u>(80,377)</u>
Balance, ending	<u>5,874,458</u>	<u>109,014</u>	<u>5,983,472</u>	<u>6,185,570</u>

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**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA****Statement of Cash Flows****Year Ended December 31, 2025**

	2025	2024
	\$	\$
Cash flows from operating activities		
Cash received from contributions, donations and rentals	2,450,527	1,269,049
Cash paid to suppliers, employees, donees and others	(2,237,892)	(2,010,292)
Investment income received	100,987	101,038
	<u>313,622</u>	<u>(640,205)</u>
Cash flows from investing activities		
Proceeds on maturity of investments	335,465	580,099
Acquisition of investments	(100,785)	(70,126)
Acquisition of capital assets	-	(56,562)
Proceeds on disposition of capital assets	448,141	-
Repayments of mortgage receivable	5,496	-
Acquisition of mortgage receivable	(449,671)	-
	<u>238,646</u>	<u>453,411</u>
Increase (decrease) in cash	552,268	(186,794)
Cash, beginning	<u>90,123</u>	<u>276,917</u>
Cash, ending	<u>642,391</u>	<u>90,123</u>

# THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA

## Notes to Financial Statements

Year Ended December 31, 2025

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### 1. PURPOSE OF THE ORGANIZATION

The Organization is a Ukrainian Catholic Eparchy in the eastern part of Canada which acts as an administrative district for Ukrainian Catholic churches and parishes within the region. The Organization supports ministerial and pastoral work within the eastern part of Canada. The Organization was incorporated in Ontario without share capital on May 31, 1951.

The Organization is a registered Canadian charity and, as such, is exempt from income taxes under the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is probable.

Restricted contributions are recognized in the period when the related activity occurs.

Rental revenue is recognized as premises are provided for use and collection is probable.

Investment income is recognized on an accrual basis.

#### Financial instruments

The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses.

Financial assets measured at amortized cost include cash, short term investments, accounts receivable, loans receivable, long term investments and mortgage receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down from impairment is recognized as a charge against excess of revenues over expenditures.

#### Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

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# THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA

## Notes to Financial Statements

Year Ended December 31, 2025

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

#### Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Automobile	3 years
Buildings	25 years
Computer equipment	3 years
Furniture and fixtures	10 years
Leasehold improvements	15 years

Capital assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from their use and eventual disposition. The impairment loss is measured by the amount by which the carrying amount of the long-lived asset exceeds their fair value.

#### Donated services

These financial statements do not reflect donated services except where the fair value can be reasonably estimated and when they are used in the course of normal operations.

#### Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the year. Estimates are used when accounting for amortization of capital assets and accrued liabilities. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. As adjustments become necessary, they are reported in excess revenues over expenditures in the period in which they become known.

### 3. FINANCIAL INSTRUMENT RISK EXPOSURES

The organization is exposed to risk through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentration at the statement of financial position date.

#### *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.

The Organization is exposed to credit risk on its accounts receivable and mortgage receivable. In order to reduce its credit risk, the Organization has adopted credit policies which include the regular review and analysis of the aging of its receivables.

#### *Liquidity risk*

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due as a result of the Organization's inability to liquidate assets in a timely manner and at a reasonable price.

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# THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA

## Notes to Financial Statements

Year Ended December 31, 2025

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### 3. FINANCIAL INSTRUMENT RISK EXPOSURES *(continued)*

The Organization is exposed to liquidity risk and mitigates this risk by holding assets that can be readily converted to cash.

#### *Market risk*

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all securities traded in the market. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is not exposed to currency and other price risk.

The Organization is exposed to market risk and mitigates this risk by investing in a diversified portfolio of investments.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Organization is exposed to interest rate price risk on its short term investments, long term investments, loans receivable and mortgage receivable bearing interest at fixed rates as described in notes 5, 6, 7 and 8.

#### *Changes in risk*

There has been an increase in the Organization's interest rate risk exposures due to the increase in mortgage receivable compared to the prior year and a decrease in the Organization's credit risk due to the decrease in accounts receivable compared to the prior year. There have been no other significant changes in the Organization's risk exposures from the prior year.

### 4. CASH

Included in cash is \$428,498 (2024 - \$NIL) relating to the Office for Refugees, Archdiocese of Toronto (ORAT) program. Refer to note 11.

### 5. SHORT TERM INVESTMENTS

Included in short term investments are guaranteed investment certificates of \$2,018,341 (2024 - \$1,292,882) bearing interest at rates between 1.95% and 3.30% per annum, and maturing between May 2026 and November 2026. In addition, short term investments includes mutual fund securities of \$221,643 (2024 - \$212,625).

### 6. LONG TERM INVESTMENTS

Included in long term investments are guaranteed investment certificates of \$749,710 (2024 - \$1,718,866) bearing interest at rates between 3.35% and 4.50% per annum, and maturing between April 2027 and May 2027.

**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

**7. LOANS RECEIVABLE**

	2025	2024
	\$	\$
Loans receivable are unsecured, bearing interest at an annual rates of 5.95% and 7.45% per annum, with monthly payments ranging from \$235 to \$483, and maturing between November 2026 and August 2028.	16,216	23,383
Current portion	(7,156)	(7,167)
	<u>9,060</u>	<u>16,216</u>

**8. MORTGAGE RECEIVABLE**

	2025	2024
	\$	\$
Mortgage receivable is secured by property, bearing interest at an annual rate of 4.50% per annum, with combined monthly payments of principal and interest of \$2,267, and maturing June 2030.	444,175	-
Current portion	(7,371)	-
	<u>436,804</u>	<u>-</u>

Principal repayment terms over the next five years are as follows:

	\$
2026	7,371
2027	7,709
2028	8,063
2029	8,434
2030	412,598
	<u>444,175</u>

**9. CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Land	-	-	-	39,490
Buildings	1,794,945	393,794	1,401,151	1,771,495
Computer equipment	49,867	49,867	-	-
Furniture and fixtures	62,274	27,708	34,566	51,719
Leasehold improvements	152,009	135,184	16,825	22,435
	<u>2,059,095</u>	<u>606,553</u>	<u>1,452,542</u>	<u>1,885,139</u>

There are no impairment indicators affecting property and equipment noted for the year ended December 31, 2025.

**THE UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF EASTERN CANADA**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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**10. PERMANENT MEMBER SHARES**

Permanent member shares represents a member's ownership of, or a member's equity in a credit union.

	2025	2024
	\$	\$
Investment	150	150

Permanent member shares are owned in one account at the Ukrainian Credit Union Limited.

**11. UNEARNED REVENUE**

	2025	2024
	\$	\$
Unearned ORAT revenue	428,498	-
Unearned insurance revenue	156,025	144,897
	<u>584,523</u>	<u>144,897</u>

In addition to the ORAT expenditures of \$79,564 (2024 - \$NIL) presented on the Statement of Operations, ORAT-related travel expenditures of \$6,800 (2024 - \$NIL) are classified under Travel on the Statement of Operations.

**12. COMMITMENTS**

The Organization is committed to leasing its office space, equipment and a vehicle through to January 2031. Future minimum lease payments on these leases are as follows:

	\$
2026	61,800
2027	61,800
2028	61,800
2029	60,800
2030	48,700
Thereafter	4,000
	<u>298,900</u>

**13. INTERNALLY RESTRICTED FUNDS**

Internally restricted funds relates to the proceeds on the sale of the Red Lake and Kirkland Lake parish churches which are internally restricted to be used to fund future expenses related to these parishes. During the year there were expenditures of \$34,161 (2024- \$20,342) in the internally restricted funds.

**14. COMPARATIVE FIGURES**

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