UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Financial Statements

For the Year Ended December 31, 2025

Lingard +Dreger

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, 2025, 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, 2025, 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, 2024 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

Saskatoon, Saskatchewan
May 6, 2026

Chartered Professional Accountants

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Financial Position

As at December 31, 2025

		2025		2024
	ASSETS			
CURRENT				
Cash and cash equivalents	**$**	**465,922**	$	367,132
Short-term investments *(Note 3)*		**400,117**		567,286
Accounts receivable *(Note 4)*		**37,533**		112,968
Prepaid expenses		**1,671**		392
Current portion of loans receivable *(Note 5)*		**204,000**		204,000
		1,109,243		1,251,778
LONG-TERM INVESTMENTS *(Note 3)*		**537,524**		337,704
TANGIBLE CAPITAL ASSETS *(Note 6)*		**512,319**		525,869
SASKATOON CO-OP EQUITY		**462**		462
CEMETERY PLOTS		**18,079**		18,979
LIFE LEASE LOAN *(Note 7)*		**287,000**		287,000
	$	**2,464,627**	$	2,421,792
	LIABILITIES			
CURRENT				
Accounts payable and accrued liabilities	**$**	**15,039**	$	40,317
Mass stipends payable		**2,000**		1,000
Deferred contributions *(Note 8)*		**567,222**		500,110
		584,261		541,427
	NET ASSETS			
UNRESTRICTED		**1,001,236**		987,684
INTERNALLY RESTRICTED		**79,811**		79,811
INVESTED IN CAPITAL ASSETS		**799,319**		812,870
		1,880,366		1,880,365
	$	**2,464,627**	$	2,421,792

APPROVED ON BEHALF OF THE EPARCHY

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Director

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Operations

For the Year Ended December 31, 2025

		2025		2024
REVENUE				
Parish Cathedraticum	**$**	**170,774**	$	173,573
Parish assessment for clergy assessment		**42,694**		43,012
Parish assessment for liability insurance		**23,314**		22,168
Donations and contributions				
Canadian Conference of Catholic Bishops collection		**4,905**		4,766
Catholic Missions in Canada		**127,616**		92,316
Eparchial Appeal		**69,590**		48,307
Eparchial charities		**4,640**		1,392
Eparchial Communication Office		**44,390**		39,718
Family Life and Human & Environmental Ministry		**-**		15,340
Knights of Columbus		**-**		362
Other donations and contributions		**5,470**		15,250
Seminary offerings and donations		**16,542**		31,690
St. Volodymyr Park		**1,270**		540
Stewardship funding		**422**		403
Youth ministry contributions		**5,000**		5,000
Parish collections *(Schedule 1)*		**45,844**		209,049
Investment income		**36,604**		38,351
Miscellaneous - certificates, dispensation income, scrolls and books		**366**		140
Rental revenue		**15,600**		12,400
Expense recoveries		**9,158**		10,094
		624,199		763,871
EXPENSES				
Administration *(Schedule 2)*		**154,281**		146,353
Assessments and dues *(Schedule 2)*		**53,252**		56,193
Donations and contributions *(Schedule 2)*		**106,508**		98,154
Eparchial Communications Office		**44,390**		40,437
Eparchial, parish and clergy needs *(Schedule 2)*		**162,574**		347,075
Eparchial stewardship expenses		**422**		403
Family Life and Human & Environmental Ministry		**677**		15,340
Occupancy costs *(Schedule 2)*		**75,894**		32,928
Travel, meetings and conferences *(Schedule 2)*		**21,200**		21,987
Youth and young adult ministry *(Schedule 2)*		**5,000**		5,000
		624,198		763,870
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	**$**	**1**	$	1

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Changes in Net Assets

For the Year Ended December 31, 2025

	Unrestricted	Internally restricted	Invested in capital assets	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 987,684	$ 79,811	$ 812,870	**$ 1,880,365**	$ 1,880,364
Excess of revenue over expenses	1	-	-	**1**	1
Transfer for amortization	20,507	-	(20,507)	**-**	-
Transfer for capital purchases	(6,956)	-	6,956	**-**	-
NET ASSETS - END OF YEAR	$ 1,001,236	$ 79,811	$ 799,319	**$ 1,880,366**	$ 1,880,365

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Statement of Cash Flows

For the Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	**$ 1**	$ 1
Item not affecting cash:		
Amortization of tangible capital assets	**20,507**	21,240
	20,508	21,241
Changes in non-cash working capital:		
Accounts receivable	**75,435**	39,552
Prepaid expenses	**(1,279)**	5,147
Accounts payable and accrued liabilities	**(25,279)**	(34,872)
Mass stipends payable	**1,000**	-
Deferred contributions	**67,112**	87,137
	116,989	96,964
Cash flow from operating activities	**137,497**	118,205
INVESTING ACTIVITIES		
Purchase of tangible capital assets	**(6,956)**	(15,547)
Proceeds on disposal of tangible capital assets	**900**	-
Purchase of investments	**(549,402)**	(151,279)
Proceeds on disposal of investments	**549,402**	86,317
Reinvested interest	**(32,651)**	(28,624)
Advance of life lease loan	**-**	(287,000)
Cash flow used by investing activities	**(38,707)**	(396,133)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**98,790**	(277,928)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**367,132**	645,060
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 465,922**	$ 367,132
CASH CONSISTS OF:		
Cash	**$ 450,427**	$ 351,998
Cash equivalents	**15,495**	15,134
	$ 465,922	$ 367,132

See notes to the financial statements

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%
Life lease furnishings	20%

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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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 27% of the Organization's revenue (2024 - 23%). 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	2025	Yield	2024
Short-term				
Term deposits	**< 1 year**	**$ 400,117**	**3.10% - 4.90%**	$ 567,286
Long-term				
Term deposits	**2 years**	**537,524**	**2.80% - 4.10%**	337,704
		$ 937,641		$ 904,990

4. ACCOUNTS RECEIVABLE

	2025	2024
Trade receivables	**$ 97,586**	$ 84,857
Allowance for doubtful accounts	**(52,817)**	(52,817)
Net trade receivables	**44,769**	32,040
Due to St. Matthew's Clergy	**(11,766)**	(9,991)
GST receivable	**3,247**	3,006
Other receivables	**1,283**	87,913
	$ 37,533	$ 112,968

5. LOANS RECEIVABLE

	2025	2024
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	2025 **Net book value**	2024 Net book value
Chancery	$ 714,643	$ 232,949	**$ 481,694**	$ 494,435
Office equipment	124,599	103,924	**20,675**	18,996
Life lease furnishings	15,547	5,597	**9,950**	12,438
	$ 854,789	$ 342,470	**$ 512,319**	$ 525,869

7. LIFE LEASE LOAN

During 2024 the Organization entered into a loan agreement and a lease agreement with St. Volodymyr Villa Corporation. The agreements grant the Organization occupancy of Unit 33 at 3110 Louise Place, Saskatoon (the "leased premises"), in exchange for a loan of $287,000. The loan is repayable upon termination of the lease with a redemption value based on an appraisal performed by a third party appraiser, less a redemption fee. The loan is non-interest bearing and is secured by a registered mortgage on the leased premises. Due to the unique stipulations of the agreements, the life lease loan is measured at cost and will be tested for impairment if indicators suggest its carrying amount exceeds its recoverable amount.

8. DEFERRED CONTRIBUTIONS

Deferred contributions consists of the following:

	2024	Contributions	Disbursements	**2025**
Annual Eparchial Appeal	$ 197,972	$ 86,896	$ (69,590)	**$ 215,278**
Geraldine Koban Faith Formation Fund	105,875	4,076	(5,876)	**104,075**
Other deferred contributions	196,263	145,800	(94,194)	**247,869**
Total deferred contributions	$ 500,110	$ 236,772	$ (169,660)	**$ 567,222**

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 $937,641 (2024 - $904,990) in term deposits and guaranteed investment certificates, with fixed interest rates ranging from 2.80% to 4.90%.

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.

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

Schedule of Parish Collections **(Schedule 1)**

For the Year Ended December 31, 2025

		2025		2024
Parish collections				
Aid for Ukraine Contributions	**$**	**9,714**	$	3,090
Catholic MIssions - collections		**3,549**		1,519
Collections - Donetz-Kharkiw		**4,301**		3,407
Collections - Holy Land Support		**4,086**		4,209
Parish support donations		**21,733**		194,553
Peter's Pence & Papal Charities		**2,076**		1,671
St. Andrew's Pense		**385**		600
Parish collections total	**$**	**45,844**	$	209,049

See notes to the financial statements

UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

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

For the Year Ended December 31, 2025

		2025		2024
Administration				
Amortization	**$**	**20,507**	$	21,240
Bank charges		**1,013**		257
Bishop consecration and enthronement (net expense)		**-**		3,064
Books and subscriptions		**6,815**		5,028
Marriage Tribunal		**812**		2,750
Office equipment rental		**562**		459
Office supplies and postage		**9,231**		10,870
Professional fees		**32,612**		24,642
Salaries and benefits		**78,167**		72,193
Telephone and cable		**4,562**		5,850
		154,281		146,353
Assessments and dues				
Annual corporate license		**40**		40
Canadian Conference of Catholic Bishops		**15,440**		15,245
Canadian Council of Charities		**780**		500
Catholic Health Association of Saskatchewan		**3,715**		3,715
Holy Spirit Seminary		**15,000**		18,283
Ukrainian Catholic Bishops Synod		**18,277**		18,410
		53,252		56,193
Donations and contributions				
Aid for Ukraine		**9,713**		3,090
Beatification funds		**656**		-
Catholic Missions in Canada		**3,549**		1,519
Donetz/Kharkiw Eparchy		**4,301**		3,407
Holy Land/Lenten charities		**4,086**		4,209
Peter's Pence		**2,076**		1,671
St. Andrew's Pence		**685**		600
Ukrainian Catholic Religious Education Centre		**80,142**		79,458
Various Catholic schools, choirs, youth organizations and community support		**1,300**		4,200
		106,508		98,154
Eparchial, parish and clergy needs				
Clergy insurance fund contribution		**42,694**		43,012
Clergy support		**53,388**		56,220
St. Matthew Clergy		**8,690**		8,791
Eparchial Study Days/Clergy Retreat (net expense)		**3,588**		1,628
Meetings		**4,455**		1,325
Parishes liability insurance		**25,385**		25,345
Parish support		**21,732**		194,554
Seminarian/Deaconate dues and support		**1,542**		13,407
St. Volodymyr Park		**1,100**		2,793
	$	**162,574**	$	347,075

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UKRAINIAN CATHOLIC EPISCOPAL CORPORATION OF SASKATCHEWAN

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

For the Year Ended December 31, 2025

		2025		2024
(continued)				
Occupancy costs				
Household supplies and fixtures		**514**		1,472
Housekeeping		**5,488**		3,797
Insurance		**6,743**		6,219
Property taxes		**9,849**		8,041
Repairs and maintenance		**46,538**		5,744
Utilities		**6,762**		7,655
		75,894		32,928
Travel, meetings and conferences				
Chancery office and clergy travel		**18,690**		20,416
Travel		**2,510**		1,571
		21,200		21,987
Youth and young adult ministry				
Youth camps		**5,000**		5,000
	$	**5,000**	$	5,000

See notes to the financial statements