

**UKRAINIAN CATHOLIC ARCHPARCHY OF
PHILADELPHIA**

*FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS*

DECEMBER 31, 2024

UKRAINIAN CATHOLIC ARCHEPARCHY OF PHILADELPHIA

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
<i>Statements of Assets, Liabilities And Net Assets – Modified Cash Basis,</i> December 31, 2024 And 2023	3
<i>Statement of Support, Revenue And Expenses – Modified Cash Basis,</i> For The Year Ended December 31, 2024 (With Comparative Totals For 2023)	4
<i>Notes To Financial Statements</i>	5-12

INDEPENDENT AUDITOR'S REPORT

Ukrainian Catholic Archeparchy of Philadelphia Philadelphia, Pennsylvania

Opinion

We have audited the accompanying report on the Ukrainian Catholic Archeparchy of Philadelphia (“Archeparchy”), excluding its parishes and cathedral of the Ukrainian Catholic Archeparchy of Philadelphia (“Archeparchy”), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2024, and the related statement of support, revenue, and expenses - modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Ukrainian Catholic Archeparchy of Philadelphia, excluding its parishes and cathedral as of December 31, 2024, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Ukrainian Catholic Archeparchy of Philadelphia and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We draw attention to Note 2 of the financial statements, which describes the basis of presentation. The accompanying financial statements were prepared to present the assets, liabilities and net assets on a modified cash basis of the Ukrainian Catholic Archeparchy of Philadelphia excluding its parishes (62 parishes and 2 missions) and cathedral and are not intended to be a complete presentation of the Archeparchy’s assets, liabilities, net assets and revenue and expenses on a modified cash basis. As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and the basis of presentation described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Ukrainian Catholic Archeparchy of Philadelphia
Philadelphia, Pennsylvania**

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 the Ukrainian Catholic Archeparchy of Philadelphia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Archeparchy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Archeparchy's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
March 27, 2025**

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS

December 31, 2024 And 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
ASSETS		
Cash	\$ 3,593,096	\$ 4,292,836
Loans Receivable	2,314,427	2,243,736
Investments, at Fair Value	14,316,689	13,385,116
Beneficial Interest in Perpetual Trusts	1,214,190	1,162,466
Land, Buildings and Equipment	<u>1,242,787</u>	<u>1,072,978</u>
Total Assets	<u>\$22,681,189</u>	<u>\$22,157,132</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Collections Held for Others	\$ 279,854	\$ 301,806
Security Deposits and Other Liabilities	23,641	40,751
Borrowed Funds	<u>2,873,839</u>	<u>2,817,092</u>
Total Liabilities	<u>3,177,334</u>	<u>3,159,649</u>
NET ASSETS		
Without donor restricted:		
Available for Operations	2,113,224	1,743,259
Designated Property Fund	1,242,787	1,072,978
Designated Various Funds	<u>3,414,767</u>	<u>3,766,916</u>
	6,770,778	6,583,153
With donor restricted	<u>12,733,077</u>	<u>12,414,330</u>
Total Net Assets	<u>19,503,855</u>	<u>18,997,483</u>
Total Liabilities and Net Assets	<u>\$22,681,189</u>	<u>\$22,157,132</u>

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

STATEMENT OF SUPPORT, REVENUE AND EXPENSES – MODIFIED CASH BASIS

For The Year Ended December 31, 2024 (With Comparative Totals For 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024</u>	<u>2023</u>
Revenue Gains and Other				
Net Diocesan Assessments	\$ 509,131	\$ -	\$ 509,131	\$ 503,604
Cemetery Contributions	20,650	-	20,650	13,545
Contributions and Bequests	416,303	-	416,303	444,358
Investment Income (Net of Fees)	140,144	644,781	784,925	335,850
Service Fees	119,808	106,150	225,958	(73,747)
Grants	337,600	-	337,600	424,230
Museum	225	-	225	1,148
U.S. Government Grant	-	-	-	48,799
Special Events	177,761	-	177,761	-
Other Income	382,741	-	382,741	294,609
Byzantine Supply	317,270	-	317,270	318,732
Net Assets Released from Restrictions	<u>497,831</u>	<u>(497,831)</u>	<u>-</u>	<u>-</u>
	2,919,464	253,100	3,172,564	2,311,128
Aid for Ukraine	-	1,481,352	1,481,352	1,053,784
Net Assets Released from Restrictions for Humanitarian Aid	<u>2,551,491</u>	<u>(2,551,491)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>5,470,955</u>	<u>(817,039)</u>	<u>4,653,916</u>	<u>3,364,912</u>
EXPENSES				
Programs				
Chancery	1,305,632	-	1,305,632	1,304,323
Seminary	520,716	-	520,716	400,548
Ministries	390,388	-	390,388	354,317
Assistance Program	441,671	-	441,671	393,797
Byzantine Supply	<u>234,625</u>	<u>-</u>	<u>234,625</u>	<u>253,301</u>
Total Expenses - Program	2,893,032	-	2,893,032	2,706,286
Humanitarian Aid for Ukraine	<u>2,551,491</u>	<u>-</u>	<u>2,551,491</u>	<u>1,137,463</u>
Total Expenses	<u>5,444,523</u>	<u>-</u>	<u>5,444,523</u>	<u>3,843,749</u>
Excess Income over Expense	26,432	(817,039)	(790,607)	(478,837)
Gain on Investments	161,193	1,084,062	1,245,255	1,903,999
Change in Beneficial Interest in Perpetual Trusts	<u>-</u>	<u>51,724</u>	<u>51,724</u>	<u>82,314</u>
Change in Net Assets	187,625	318,747	506,372	1,507,476
Net Assets				
Beginning	<u>6,583,153</u>	<u>12,414,330</u>	<u>18,997,483</u>	<u>17,490,007</u>
Ending	<u>\$6,770,778</u>	<u>\$12,733,077</u>	<u>\$19,503,855</u>	<u>\$18,997,483</u>

UKRAINIAN CATHOLIC ARCHEPARCHY OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 And 2023

(1) ORGANIZATION AND OPERATIONS

The Ukrainian Catholic Archeparchy of Philadelphia (“Archeparchy”) was established May 28, 1913. It is a non-profit organization under the stewardship of the Archbishop. Its direct territory encompasses all of New Jersey, Maryland, Virginia, the District of Columbia, Delaware and the eastern half of Pennsylvania and consists of 62 parishes (and two missions) comprised of 11,646 faithful scattered throughout this vast geographical territory. Presently, 39 parishes have a resident pastor, one parish has a religious clergy (order priest not diocesan) and 24 parishes are administered by non-resident priests. The average age of the clergy is 54 years of age. Most of the parishes were founded in the late nineteenth century or early twentieth century during the great immigrations that came to the United States. They are located in industrial urban centers of the region and the coal mining areas of Pennsylvania. After World War II, an influx of new immigrants from Eastern Europe was assimilated into this growing church. Since the demise of the Soviet Union in 1989 and the independence of Ukraine, the church is experiencing a period of new immigration from Ukraine to the United States, primarily in the urban metropolitan centers of the Archeparchy-Philadelphia, Baltimore, Washington and Newark. Many of the newer immigrants have a limited religious education and are only fluent in the Ukrainian language.

The Archbishop (who is also the Metropolitan of the province of Philadelphia for Ukrainian Catholics in the United States) of the Ukrainian Catholic Archeparchy assigns the priests to their parishes and issues directives to the parishes. The Chancery offices are comprised of the Archbishop, Chancellor, Chief of Staff, Vice Chancellor, Finance Department, Communication Department (i.e. newspaper, website), Religious Education Department, Evangelization Department, Youth Ministries, Sexual Abuse Prevention, Cemetery Administration, and Maintenance Department. These departments oversee the various functions at a chancery level and issue directives and information which can be used in the parishes.

The Archeparchy also controls the St. Josaphat Seminary and the Byzantine Church Supply.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Archeparchy policy is to prepare its financial statements on the modified cash basis of accounting; consequently, revenue and increases and decreases of certain liabilities (collections held for others and security deposits) and assets (notes receivable, investments and land, building and equipment) are recognized when cash is received rather than when earned, and expenses and purchases of certain assets (loans receivable, investments and land, building and equipment) when cash is disbursed rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present position and results of operations in conformity with accounting principles generally accepted in the United States of America.

BASIS OF PRESENTATION

The financial statements include only the accounts of the Archeparchy. The financial statements do not include parishes (62 parishes and 2 missions) of the Eparchy including the Cathedral in Philadelphia.

The Eparchy’s net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Eparchy and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions will be met either by actions of The Archdiocese and/or the passage of time. Other donor-imposed stipulations are perpetual in nature where the donor stipulated that they will be maintained in perpetuity by The Archdiocese. Generally, the donors of these assets permit The Archdiocese to use all or part of the income earned on related investments for purposes with or without donor restrictions.

USE OF ESTIMATES

Preparation of financial statements in conformity with the modified cash basis of accounting requires estimating some of the amounts reported. Actual results could differ from the estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Archdiocese to concentration of credit risk consist principally of deposits in banks in excess of federally insured limits. To manage this risk, the Archdiocese places its cash with high credit quality financial institutions and monitors these financial institutions in which deposits are made.

CASH AND EQUIVALENTS

The Archdiocese considers all highly liquid investments, with initial maturities of three months or less, to be cash equivalents. These investments are carried at cost which approximates market.

INVESTMENTS

Investments are recorded at fair value, with realized and unrealized gains and losses included in the statement of activities.

LAND, BUILDINGS AND EQUIPMENT

Land, Buildings, and Equipment are capitalized at cost. Normal repairs and maintenance expenses are charged to operations. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

REVENUES RECOGNITION

The Eparchy recognizes contributions when cash, securities or other assets are received. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restriction and reported in the statement of activities as “**net assets released from restrictions**”.

A principal source of operating revenue for the Archdiocese is the parish assessment. The amount levied against each parish is determined by applying a specific formula based on the number of parishioners as defined by the Archdiocese. Assessments from parishes and other related entities are recorded as revenues when received.

INCOME TAXES

The Internal Revenue Service (“IRS”) has determined the Archdiocese to be an “associations of churches” and, therefore, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The IRS has further determined that contributions made to the Archdiocese are deductible by the donor to the extent allowed by law. Management has reviewed their tax positions and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. As a church organization, the Eparchy does not file annual tax returns.

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

(3) LOANS RECEIVABLE

Loans receivable represent loans to parishes that are secured by the related property of the parish. Interest rates on these loans are 4%.

(4) INVESTMENTS

Investments at December 31, 2024 and 2023 consists of the following:

	<u>2024</u> <u>Market Value</u>	<u>2023</u> <u>Market Value</u>
Money Market Funds	\$ 791,746	\$ 1,378,858
Certificate of Deposit	1,243,897	669,478
Common Stock	16,819	33,353
U.S. Treasuries	200,885	-
Mutual Funds – Equity	10,007,887	9,387,764
Mutual Funds – Bond	<u>2,055,455</u>	<u>1,915,663</u>
	<u>\$14,316,689</u>	<u>\$13,385,116</u>

Investments are comprised of the following net assets:

	<u>2024</u>	<u>2023</u>
Designated	\$ 3,386,421	\$ 3,752,515
Restricted	<u>10,930,268</u>	<u>9,632,601</u>
	<u>\$14,316,689</u>	<u>\$13,385,116</u>

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Eparchy utilized various methods to measure the fair value of its investments on a recurring basis. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Eparchy has the ability to access. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable inputs other than quoted price included in Level 1 that are observed for the asset or liability, either directly or indirectly. These inputs may include quoted process for the identical instruments on an inactive market, priced for similar instruments, interest rates, prepayment spreads, credit risk yield curve, default rate and similar data.

Level 3 – Unobservable inputs for the asset or liabilities, to the extent relevant observable inputs are not available, representing the Eparchy's own assurance about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

At December 31, 2024 and 2023, all Eparchy’s investments are being measured using Level 1 inputs.

	<u>2024</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Money Market Funds	\$ 791,746	\$ -	\$ -	\$ 791,746
Common Stock	16,819	-	-	16,819
U.S. Treasuries	-	200,885	-	200,885
Certificate of Deposit	1,243,897	-	-	1,243,897
Mutual Funds – Equity	10,007,887	-	-	10,007,887
Mutual Funds – Bond	2,055,455	-	-	2,055,455
	<u>\$ 14,115,804</u>	<u>\$ 200,885</u>	<u>\$ -</u>	<u>\$ 14,316,689</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,214,190</u>	<u>\$ 1,214,190</u>

	<u>2023</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Money Market Funds	\$ 1,378,858	\$ -	\$ -	\$ 1,378,858
Common Stock	33,353	-	-	33,353
Certificate of Deposit	669,478	-	-	669,478
Mutual Funds – Equity	9,387,764	-	-	9,387,764
Mutual Funds – Bond	1,915,663	-	-	1,915,663
	<u>\$ 13,385,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,385,116</u>
Beneficial Interest in Perpetual Trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162,466</u>	<u>\$ 1,162,466</u>

(5) BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Archeparchy has a beneficial interest in two perpetual trusts; the assets of which are held and managed by third parties. The beneficial interest in these perpetual trusts is recorded at fair value based on the fair value of the trusts. At December 31, 2024 and 2023 the fair value of the trusts was \$1,214,190 and \$1,162,466, respectively, and are reported in net assets with donor restrictions.

(6) BORROWED FUNDS

The Archeparchy borrowed funds from the parish Sts. Peter Paul in Jersey City, New Jersey initially for the purpose of assisting parishes within the Archeparchy for capital projects and then for relocation and general operating expenses for the Chancery (Archeparchy). The Archeparchy subsequently loaned funds directly to the parishes which are included in the loan receivable account on the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis. The repayment of the principal and interest is deposited and interest (net of .5% service charge) payments are deposited into a segregated investment account for the benefit of Sts. Peter Paul. At December 31, 2024 and 2023, the Borrowed Funds consisted of the following:

	<u>2024</u>	<u>2023</u>
Loans Receivable	\$ 1,676,362	\$ 1,605,672
Chancery Loan	413,306	413,306
Segregated Investment Account	<u>784,171</u>	<u>798,114</u>
	<u>\$ 2,873,839</u>	<u>\$ 2,817,092</u>

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

(7) NET ASSETS

Without donor restricted net assets are controlled by the Bishop. As of December 31, 2024 and 2023, net assets are as follows:

Without Donor Restricted Net Assets

	<u>Controlled By</u>	<u>2024</u>	<u>2023</u>
Available for operations	Bishop	\$ 2,113,224	\$ 1,743,259
Designated Property Funds		1,242,787	1,072,978
Designated for Programs and Services			
Legacy Liturgy Fund	Bishop	18,526	18,523
Sacred Heart Parish Fund	Bishop	703,763	703,763
Insurance Fund	Bishop	1,712,466	2,159,707
Sacerdotal Portfolio	Bishop	61,958	55,972
Lady Sorrows Cemetery Endowment	Bishop	148,206	120,102
Sts. Peter & Paul (Mount Carmel)	Bishop	50,000	50,000
Protection BVM South Phila	Bishop	40,229	40,229
Sts. Peter & Paul (Wilkes-Barre)	Bishop	384,276	350,002
Charles Chrin Endowment	Bishop	<u>295,343</u>	<u>268,618</u>
Total designated for programs and services		<u>3,414,767</u>	<u>3,766,916</u>
Total without donor restricted net assets		<u>\$ 6,770,778</u>	<u>\$ 6,583,153</u>

With Donor Restrictions Net Assets:

Subject to expenditure for a specified purpose

	<u>Controlled By</u>	<u>2024</u>	<u>2023</u>
Programs			
Seminary Trust Funds	Board of Trustees	\$ 3,227,872	\$ 3,023,481
Priest Beneficial Fund *	Board of Trustees	5,663,257	4,710,485
Cathedral Endowment	Board of Trustees	1,817,703	1,657,031
Leiper Cemetery Fund	Bishop	<u>70,680</u>	<u>66,315</u>
Total Programs		10,779,512	9,457,312
Humanitarian Aid for Ukraine **	Bishop	<u>497,560</u>	<u>1,567,699</u>
		<u>11,277,072</u>	<u>11,025,011</u>

Perpetual in nature

	<u>Controlled By</u>	<u>2024</u>	<u>2023</u>
Archbishop Sulyk Scholarship Fund	Bishop and Seminary Rector	\$ 29,639	\$ 27,780
Skoufis Scholarship Fund	Bishop and Seminary Rector	212,176	199,073
Beneficial Interest in Perpetual Trust			
Rev. Adam Polischak Seminary	Bishop - Per Trust Provisions	532,048	513,986
Masakowska Trust	Bishop - Per Trust Provisions	<u>682,142</u>	<u>648,480</u>
		<u>1,456,005</u>	<u>1,389,319</u>
Total net assets with donor restrictions		<u>\$ 12,733,077</u>	<u>\$ 12,414,330</u>

* Represents assets of the Priest's Retirement Fund (See Note 9).

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

**On February 24, 2022, Russia invaded Ukraine resulting in an enormous disruption to the daily lives of the Ukrainians and to the economic activity of Ukraine. Subsequent to the invasion the Archdiocese began a campaign to collect humanitarian aid to support vulnerable individuals in the areas of information, hygiene supplies, food, temporary shelter, family medicines and the delivery of humanitarian cargo to crisis locations. For the years ending December 31, 2024 and 2023, the Archdiocese raised \$1,481,352 and \$1,053,784, respectively, for these causes. For the years ending December 31, 2024 and 2023, the Archdiocese provided \$2,551,491 and \$1,137,463, respectively, in humanitarian aid grants to the people of Ukraine.

(8) POST RETIREMENT HEALTH BENEFIT

The archdiocese sponsors a supplemental healthcare plan, available to all retired priests, regardless of the length of service. Under the plan, the archdiocese covers the costs of monthly health insurance which is based upon the cost of a supplemental healthcare policy including prescriptions under Medicare. Benefits paid for the years ended December 31, 2024 and 2023 was \$68,526 and \$68,563, respectively.

(9) PENSION PLAN

The Archdiocese's sponsors a noncontributory, qualified defined benefit plan covering all Archdiocesan or Religious Priests. Benefits under the plan are based on employees' years of service. The benefit formula provides a normal retirement benefit of \$2,000 per month but clergy who have less than 15 years of service will receive a reduced retirement benefit. Normal retirement age is 70, but priests can continue in service and elect to partially retire and receive a benefit of \$500 per month. Celibate priests receive their retirement benefit in the form of monthly disbursements and payments cease upon the priest's death. Priests who are married receive their retirement in the form of a joint survivor monthly disbursements. Upon the priest's death the spouse receives 50% of the benefit. As of the last actuarial valuation as of January 1, 2023, the projected pension benefit obligation was \$4,923,379 and the Plan Assets as of December 31, 2024 and 2023 was \$5,663,257 and \$4,710,485, respectively.

The financial statements reflect contributions received by the pension fund and payments of benefits to the retired priests.

(10) LEASE INCOME

On January 1, 2019, the Archdiocese (Lessor) entered into a five (5) year lease agreement with North City Congress (Lessee) to lease its property at 827 Franklin Street, Philadelphia, PA. The lessee has a renewal 5 year option under the lease. The renewal option contains an increase in rent by a factor of 1.7% per year, commencing with the first year of the renewal. During 2023, the lessee exercised the renewal option. The following is a schedule of future minimum rentals to be received under the lease agreements:

Year Ending December 31,

2025	\$ 161,000
2026	163,700
2027	166,500
2028	<u>169,300</u>
	<u>\$ 660,500</u>

UKRAINIAN CATHOLIC ARCHDIOCESE OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

(11) FUNCTIONAL EXPENSE

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support, revenue and expenses – modified cash basis. Accordingly, certain costs have been allocated based on a cost study where efforts are made.

Functional Expense	2024					2023	
	Chancery	Seminary	Ministries	Assistance Program	Byzantine Supply	Total	Total
Salary and benefits	\$ 824,249	\$ 119,621	\$ 214,898	\$ 262,689	\$ 41,574	\$ 1,463,031	\$ 1,410,044
Facility expenses	152,683	223,077	5,043	20,363	5,902	407,068	395,004
Supplies	33,483	36,428	3,265	30,402	4,619	108,197	76,933
Outside services	117,204	117,889	74,449	80,919	-	390,461	322,508
Depreciation	19,683	-	-	482	-	20,165	12,301
Supply Store / publishing	-	-	-	-	180,352	180,352	205,138
Miscellaneous expense	<u>158,330</u>	<u>23,701</u>	<u>92,733</u>	<u>46,816</u>	<u>2,178</u>	<u>323,758</u>	<u>284,358</u>
	<u>\$ 1,305,632</u>	<u>\$ 520,716</u>	<u>\$ 390,388</u>	<u>\$ 441,671</u>	<u>\$ 234,625</u>	<u>\$ 2,893,032</u>	<u>\$ 2,706,286</u>

(12) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

At December 31, 2024 and 2023, financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the statement of assets, liabilities and net assets – modified cash basis, comprise the following:

	2024	2023
Financial Assets:		
Cash	\$ 3,593,096	\$ 4,292,836
Investments	<u>14,316,689</u>	<u>13,385,116</u>
Total financial assets available	17,909,785	17,677,952
Less:		
Assets restricted as to use:		
Designated for programs and services	(3,414,767)	(3,766,916)
Net assets with donor restrictions	<u>(11,518,887)</u>	<u>(11,251,864)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,976,131</u>	<u>\$ 2,659,172</u>

The Archdiocese's cash flows have seasonal variation during the year attributable to concentrations of and contributions received at calendar year-end. To manage liquidity, the Archdiocese has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

UKRAINIAN CATHOLIC ARCHEPARCHY OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2024 And 2023

(13) CONTINGENCY

The Archeparchy is involved in litigation and unasserted claims from time to time arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance (subject to a deductibility limit) or if not covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial statements. The Archeparchy vigorously defends all such claims.

(14) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date the financial statements were available for issuance, March 27, 2025, have been evaluated in the preparation of the financial statements.