BYZANTINE CATHOLIC EPARCHY OF PARMA
AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025

BYZANTINE CATHOLIC EPARCHY OF PARMA
AND AFFILIATE

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Most Reverend Robert M. Pipta, Bishop of
Byzantine Catholic Eparchy of Parma and Affiliate
aka Byzantine Catholic Diocese of Parma

Opinion

We have audited the accompanying consolidated statement of financial position of the Byzantine Catholic Eparchy of Parma and Affiliate (a non-profit organization, collectively the Organization), and we were engaged to audit the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated statement of financial position referred to above presents fairly, in all material respects, the financial position of the Byzantine Catholic Eparchy of Parma and Affiliate as of June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Results of Operations, Cash Flows, and Consistency

We do not express an opinion on the results of operations and cash flows for the year ended June 30, 2025, or on the consistency of application of accounting principles with the preceding year. Because of the significance of the matters described in the Basis for Disclaimer of Opinion on Results of Operations, Cash Flows, and Consistency section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations and cash flows for the year ended June 30, 2025, or on the consistency of application of accounting principles with the preceding year.

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 Consolidated Financial Statements section of our report. We are required to be independent of the Byzantine Catholic Eparchy of Parma and Affiliate 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.

Basis for Disclaimer of Opinion on Results of Operations, Cash Flows, and Consistency

As discussed below, due to the change in basis of accounting, and, in accordance with management's instructions, we did not extend our auditing procedures to enable us to express an opinion on the consistency of application of accounting principles with the preceding year and we were unable to obtain sufficient appropriate audit evidence to determine whether the opening balances in the consolidated financial statements as of July 1, 2024, were fairly presented in accordance with accounting principles generally accepted in the United States of America or whether accounting principles have been consistently applied between 2025 and the preceding year.

Change in Basis of Accounting

We draw attention to Note A of the consolidated financial statements, which describes the basis of accounting. As described in Note A, in 2025 the Organization adopted a policy of preparing its consolidated financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Prior to 2025, the consolidated financial statements were prepared in accordance with the modified cash basis of accounting. The financial statements prior to 2025 were not adjusted to reflect the accrual basis of accounting in accordance with generally accepted accounting principles adopted in 2025. As such, and, in accordance with management's instructions, we did not extend our auditing procedures to enable us to express an opinion on the consistency of application of accounting principles with the preceding year.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Byzantine Catholic Eparchy of Parma and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, 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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 consolidated 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 consolidated 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 of the Byzantine Catholic Eparchy of Parma and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Byzantine Catholic Eparchy of Parma and Affiliate'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Zinner & Co. LLP

Beachwood, Ohio

February 6, 2026

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

Assets		
Cash and cash equivalents	$	488,158
Investments		697,658
Accounts receivable		466,177
Pledges receivable		72,500
Notes and advances receivable		75,946
Land, buildings and equipment, net		45,794
Assets held for sale		285,600
Security deposits and prepaid expenses		36,090
Operating right of use assets		67,709
Total Assets	$	2,235,632
Liabilities		
Accounts payable	$	101,860
Credit card payable		3,258
Other liabilities		32,447
Operating lease obligations		67,709
Loan payable		350,000
Total Liabilities		555,274
Net Assets		
Without donor restrictions - Undesignated		671,403
Without donor restrictions - Board designated		712,444
		1,383,847
With donor restrictions		296,511
Total Net Assets		1,680,358
Total Liabilities and Net Assets	$	2,235,632

The accompanying notes are an integral part of these consolidated financial statements.

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Eparchial assessments	$ 454,526	$ 0	$ 454,526
Contributions - stewardship	295,021	0	295,021
Contributions - other	27,381	162,499	189,880
Grant income	147,895	0	147,895
Horizons income	29,963	0	29,963
Program income	6,503	0	6,503
Miscellaneous income	7,165	0	7,165
Parish accounting services and management fees	33,225	0	33,225
Reimbursements from parishes, net	351,021	0	351,021
Special events income and contributions	74,158	0	74,158
	1,426,858	162,499	1,589,357
Net assets released from restrictions			
Satisfaction of program restrictions	87,055	(87,055)	0
Total Reclassifications	87,055	(87,055)	0
Total Support and Revenues	1,513,913	75,444	1,589,357
Expenses			
Program services:			
Clergy Support	441,858	0	441,858
Horizons & Communications	46,967	0	46,967
Seminary, Diaconate & Vocations	143,719	0	143,719
Evangelization, Religious Ed, Youth & Family Ministry	147,230	0	147,230
Parishes, Missions, and Shrine	53,601	0	53,601
Total Program Services	833,375	0	833,375
Supporting services:			
Management and General	779,944	0	779,944
Fundraising and Development	175,095	0	175,095
Total Supporting Services	955,039	0	955,039
Total Expenses	1,788,414	0	1,788,414
Changes in Net Assets From Operations	(274,501)	75,444	(199,057)
Other Income (Expenses)			
Interest income	19,021	0	19,021
Investment gains	20,365	0	20,365
Loss on sale of property	(848)	0	(848)
Total Other Income (Expenses)	38,538	0	38,538
Changes in Net Assets	(235,963)	75,444	(160,519)
Net Assets at Beginning of Year	1,250,543	221,067	1,471,610
Changes in Basis of Accounting	369,264	0	369,264
Net Assets at End of Year	$ 1,383,844	$ 296,511	$ 1,680,355

The accompanying notes are an integral part of these consolidated financial statements.

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions			With Donor	
	Undesignated	Designated	Total	Restrictions	Total
Net Assets at July 1, 2024	$ 485,254	$ 765,292	$ 1,250,546	$ 221,067	$ 1,471,613
Change in Basis of Accounting	369,264	0	369,264	0	369,264
Change in Net Assets	(183,115)	(52,848)	(235,963)	75,444	(160,519)
Net Assets at June 30, 2025	$ 671,403	$ 712,444	$ 1,383,847	$ 296,511	$ 1,680,358

The accompanying notes are an integral part of these consolidated financial statements.

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Services			
	Clergy Support	Horizons & Commun-ications	Seminary, Diaconate & Vocations	Evangelization Religious Ed, Youth & Family Ministry	Parishes, Missions, and Shrine	Total Programs	Management & General	Fundraising & Development	Total Supporting Services	Total Expenses
Compensation and benefits	$ 294,834	$ 28,561	$ 7,655	$ 11,290	$ 18,375	$ 360,715	$ 260,656	$ 67,348	$ 328,004	$ 688,719
Occupancy	0	0	0	2,138	1,446	3,584	50,484	0	50,484	54,068
IT, telephone, and office expense	9,693	660	0	5,974	3,409	19,736	48,820	650	49,470	69,206
Travel, conferences, and retreats	12,638	0	362	45,294	4,389	62,683	880	1,997	2,877	65,560
Repairs and maintenance	24,000	0	0	0	0	24,000	181	0	181	24,181
Insurance	0	0	0	0	0	0	4,485	0	4,485	4,485
Bishop's residence	15,337	0	0	0	0	15,337	0	0	0	15,337
Safe environment expenses	0	0	5,357	1,477	0	6,834	0	0	0	6,834
Printing and postage	31	16,546	2,000	3,199	3,886	25,662	2,053	34,289	36,342	62,004
Professional fees	625	0	3,600	286	1,956	6,467	405,010	0	405,010	411,477
Stewardship returns to parishes	0	0	0	0	0	0	0	70,811	70,811	70,811
Dues and subscriptions	0	0	0	680	0	680	0	0	0	680
Youth activities and ministry	0	0	0	13,798	0	13,798	0	0	0	13,798
Evangelization projects	0	0	0	53,202	0	53,202	0	0	0	53,202
Contributions to missions and shrine	26,472	0	118,407	5,205	0	150,084	0	0	0	150,084
Life insurance	44,396	0	0	0	0	44,396	0	0	0	44,396
Christian outreach	0	0	0	1,612	250	1,862	150	0	150	2,012
Relocation and other support	13,832	1,200	6,338	3,075	4,564	29,009	1,810	0	1,810	30,819
Depreciation	0	0	0	0	15,326	15,326	5,415	0	5,415	20,741
Total Expenses	$ 441,858	$ 46,967	$ 143,719	$ 147,230	$ 53,601	$ 833,375	$ 779,944	$ 175,095	$ 955,039	$ 1,788,414
	25%	3%	8%	8%	3%	47%	43%	10%	53%	100%

The accompanying notes are an integral part of these consolidated financial statements.

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities	
Changes in net assets	$ (160,519)
Adjustments to reconcile changes in net assets to net cash used by operating activities	
Depreciation	20,741
Loss on sale of property	848
Gains on investments and earnings reinvested	(39,083)
Changes in operating assets and liabilities :	
Accounts receivable	(113,312)
Notes and advances receivable	(75,946)
Due from Parishes	5,941
Security deposits and prepaid expenses	(32,410)
Accounts payable	52,908
Credit card payable	(7,712)
Other liabilities	21,865
Net Cash Used by Operating Activities	(326,679)
Cash Flows from Investing Activities	
Proceeds from sale of vehicles	4,500
Net Cash Provided by Investing Activities	4,500
Cash Flows from Financing Activities	
Proceeds from loan payable	350,000
Net Cash Provided by Financing Activities	350,000
Net Increase in Cash and Cash Equivalents	27,821
Cash and Cash Equivalents - Beginning of Year	460,337
Cash and Cash Equivalents - End of Year	$ 488,158

The accompanying notes are an integral part of these consolidated financial statements.

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Byzantine Catholic Diocese of Parma aka Byzantine Catholic Eparchy of Parma (Eparchy) is a non-profit corporation existing under the laws of the State of Ohio. The Eparchy encompasses the geographical area of Ohio (except the eastern border counties), Indiana, Michigan, Illinois, Minnesota, Missouri, Iowa, Kansas, and Nebraska. The Eparchy, under the governance of its duly appointed Bishop, in accordance with the provisions of the Code of Canons of the Eastern Churches, provides planning and direction in administering of pastoral, vocational, educational, and other services to approximately 30 parish communities within the geographical area under its authority. Its functions include ensuring the well-being of priests and overseeing parish, religious, and financial matters.

The Byzantine Catholic Eparchy of Parma Foundation, Inc. (Foundation) is a non-profit corporation existing under the laws of the State of Ohio and was formed on May 6, 2019. The Foundation's purpose is to support the Eparchy, its parishes, agencies, and departments and programs.

Principles of Consolidation

The financial statements include the accounts of the Eparchy and the Foundation. All material inter-organization balances and transactions have been eliminated in consolidation. The organizations have common control since the Foundation's directors are appointed by the Bishop of the Eparchy. There is also an economic interest since the Foundation's purpose, as stated in the code of regulations, is to support the Eparchy, its parishes, agencies, departments and programs. Accordingly, the accounts of the Foundation have been consolidated herein, as required by accounting principles. The consolidated financial statements do not include the assets, liabilities, net assets and results of operations of the parishes, shrine, Parishes Together Fund, or Pension Fund, which are separate entities.

Basis of Accounting

The consolidated financial statements of the Eparchy have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly, reflect all significant receivables, payables, and other liabilities.

Change in Basis of Accounting

During 2025, the Eparchy and Foundation adopted a policy of preparing its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Prior to 2025, the consolidated financial statements were prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles whereby revenues are recognized when collected rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. The change in basis of accounting resulted in an increase in net assets as of July 1, 2024 of $369,264.

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the eparchy is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. ASC 958-205 requires board-designated funds to be reported as part of net assets without donor restrictions; accordingly, the Bishop and management may designate a portion of these net assets for specific purposes which makes them unavailable for use at the Eparchy's discretion and are reported as segregated of net assets without donor restrictions.

Cash and Cash Equivalents

All highly liquid investments, with initial maturities of three months or less, are reported as cash equivalents. Cash and cash equivalents held within the investment accounts are included in investments in the Consolidated Statement of Activities. Cash and cash equivalents also include the Eparchy's deposit accounts held at the Parishes Together Fund, which is a separate fund maintained by the Eparchy. The Parishes Together Fund operates as a deposit and loan program, which is a cooperative investment and lending program established for the purpose of financing the capital needs of its participants, which are member parishes and organizations of the Eparchy.

Investments

Investments are valued at fair value. Donated investments are reflected as contributions at their fair values at date of receipt. Dividend and interest income and gains and losses on investments are reflected in current without donor restriction activities unless they are with donor restriction, either by law or explicit donor stipulation, in which case they would be reported as with donor restriction. Investment activity is generally comprised of large volumes with quick turnover and is therefore netted together on the Consolidated Statement of Cash Flows.

Accounts, Notes and Advances Receivable

Accounts, notes and advances receivable are recorded at their net realizable value, which approximates fair value, within one year. The Eparchy provides for potential uncollectible receivables using the allowance method. Management estimates an allowance for credit losses based on their review and assessment of the age of the total receivables, an analysis of individual balances which are dated, as well as forward looking viability of the receivable. Once these receivables are determined to be uncollectable, they are written off through a charge against the existing allowance account. Management has determined that no allowance was deemed necessary as of June 30, 2025. Accounts, notes and advances receivable at the opening of the years presented amounted to $352,865 as of July 1, 2024.

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings, and Equipment

Land, buildings, and equipment are capitalized at cost when purchased or, if donated, at the estimated fair value at the date of the gift. Expenditures for major additions and improvements are capitalized, while minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed, the cost and associated accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the Consolidated Statement of Activities for the respective period.

Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets as follows:

Computer equipment and vehicles	5 years
Furniture, Fixtures, and equipment	7 years
Building and improvements	40 years

Deferred Revenue

Income from assessments, reimbursements, fees, miscellaneous income and special events received in advance is deferred and recognized over the periods to which the income relates. Deferred revenue at the opening of the years presented amounted to $0 as of July 1, 2024.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Bishop and/or management for general operating purposes. From time to time the Bishop and/or management designates a portion of these net assets for specific purposes which makes them unavailable for use at the Eparchy’s discretion. The Bishop and management have designated a portion of net assets without donor restrictions for use on special projects and for the purpose of securing the Eparchy’s long-term financial viability.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Eparchy reports gifts of cash and other assets as revenue with donor restrictions if they are received with 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 restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and are reported in the Consolidated Statement of Activities as net assets released from restrictions.

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contracts with Customers
The Eparchy’s revenue streams under contracts with customers consists primarily of revenues under the following categories:

Eparchial assessments: Parishes under the Eparchy’s authority are charged assessments on a monthly basis to help support the operations and finances of the Eparchy. Revenues are recognized at the point in time that assessments are billed to the Parishes. Payments received in advance of service/assessment periods are recorded as deferred revenue.

Reimbursements from Parishes: Reimbursements are charged to Parishes to cover specific charges incurred by the Eparchy, including benefits for clergy members (see Note L). The reimbursement charges are recognized into revenue when the underlying expense has been incurred by the Eparchy. Payments received in advance of reimbursable charges are recorded as deferred revenue.

Parish accounting services and management fees: The Eparchy performs accounting and other administrative services on behalf of the Parishes. Revenues are recognized over the time period that the services are being performed by the Eparchy on behalf of the Parishes. Payments received in advance of service periods are recorded as deferred revenue.

Miscellaneous income: The Eparchy at times engages in various miscellaneous revenue producing activities, such as, but not limited to sales of books, merchandise, programmatic materials and other receipts. Revenues are recognized at the point in time that a sale occurs. At times the Eparchy will be involved in miscellaneous revenue generating situations and those revenues are recognized at the point in time that the situation occurs.

Special events: Revenues related to ticket sales and other exchanges of value that take place are recognized as revenue at the point in time in which the event occurs.

Revenue recognition for each of the revenue streams identified above are subject to the satisfaction of performance obligations. Revenue is recognized when performance obligations are satisfied over a period of time or at a point in time. Revenue is measured as the amount of consideration the Eparchy expects to receive in exchange for providing services. Any payments received in advance of satisfaction of performance obligations are recorded as deferred revenue until the obligation is met.

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contribution and Grant Revenue

Contributions and grants are recognized when a donor or awarding agency makes a promise to give that is, in substance, unconditional. Contributions that are restricted by a donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions through a release of restriction.

Functional Expense Allocation

Costs of providing program and supporting services are allocated based on specific identification, if practical. Certain categories of expenses are attributable to more than one functional category, and therefore require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated based on staff responsibilities and estimates of time and effort contributed to the respective categories. Facility related expenses, which include maintenance and depreciation expense, are allocated based on estimated use of the facilities on a square-footage basis. Office and communication expenses are allocated based on estimated use of materials and services in the respective categories.

Concentrations of Credit Risk

Financial instruments that potentially subject the Eparchy to concentrations of credit risk consist primarily of cash and equivalents and accounts receivable. The Eparchy maintains its cash and equivalents with financial institutions and although they, at times, have invested amounts in excess of any federal insurance limits, management does not feel that the Eparchy is exposed to any substantial credit risk. Concentrations with respect to accounts receivable are limited due to the large number of parishes comprising the Eparchy's customer base. As of June 30, 2025, the Eparchy had no other significant concentrations of credit risk.

Pervasiveness of Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with the modified cash basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual result could vary from the estimates that were used.

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

In a determination letter dated March 25, 1946 and updated annually since that time, the Internal Revenue Service has ruled that all organizations listed in The Official Catholic Directory are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Eparchy and Foundation are listed in the 2024 edition and therefore are exempt from federal income taxes. The Eparchy has evaluated relevant criteria and determined that no significant contingencies exist with regard to tax positions.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU introduces targeted relief to reduce complexity and cost when estimating expected credit losses for current accounts receivable and current contract assets arising from revenue transactions accounted for under Topic 606. The amendments in the ASU are effective for annual periods beginning after December 15, 2025, including interim periods within those annual periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The adoption of this standard did not have any significant impact on the consolidated financial statements.

Subsequent Events

The Organization evaluated its June 30, 2025 consolidated financial statements for subsequent events through, February 6, 2026, the date the consolidated financial statements were available to be issued, and all relevant subsequent information is included within the applicable notes to the consolidated financial statements.

The following occurred subsequent to June 30, 2025 requiring disclosure:

- Sale of Assets – See Note C related to the sale of the Eparchy's Cathedral and related assets.

NOTE B - INVESTMENTS AND FAIR VALUE

The Eparchy uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Eparchy has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Church has the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on an active exchange and other exchange trade securities.

Level 2 – Valuations based on other than quoted market prices in active markets, dealer or broker markets. Fair values are primarily obtained from third party pricing services for similar investments as of the reporting date.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The asset’s or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize unobservable inputs.

The methods used above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Eparchy’s investments, which were all classified as Level 1 within the fair value hierarchy, consisted of the following as of June 30, 2025:

	Cost	Fair Market Value	Unrealized Gain
Cash and cash equivalents	$ 31,978	$ 31,978	$ 0
Bond Funds	411,166	415,844	4,678
Stocks	189,954	242,856	52,902
Alternative Real Estate Investments	7,453	6,980	473
Total	$ 640,551	$ 697,658	$ 58,053

NOTE B - INVESTMENTS AND FAIR VALUE (CONTINUED)

The investments are all owned by the Foundation and designated for the following funds:

Development of Parishes	$ 232,553
Seminary, Vocations, & Clergy Formation	232,553
Works of the Apostolate	232,552
Total	$ 697,658

Investment income (loss) consists of the following for the year ended June 30, 2025:

Dividends and interest	$ 20,068
Realized gains	29,914
Unrealized loss	(3,487)
Investment management fees	(7,412)
Net investment income	$ 39,083

NOTE C - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consist of the following as of June 30, 2025:

	Plant Fund*	Cathedral Center	Total
Land, buildings and improvements	$ 3,385,799	$ 505,539	$ 3,891,338
Furniture, fixtures, and equipment	81,300	0	81,300
Vehicles	33,894	0	33,894
Total	3,500,993	505,539	4,006,532
Less: Accumulated depreciation	3,319,273	355,865	3,675,138
Less: Assets held for sale, net	139,157	146,443	285,600
Net	$ 42,563	$ 3,231	$ 45,794

* Plant fund includes the chancery and shrine.

NOTE C - LAND, BUILDINGS, AND EQUIPMENT (CONTINUED)

Depreciation expense for each category of asset reflected in the Consolidated Statement of Activities for the year ended June 30, 2025 is as follows:

	Plant Fund*	Cathedral Center	Total
Building and improvements	$ 4,781	$ 14,074	$ 18,855
Vehicles	1,886	0	1,886
Total	$ 6,667	$ 14,074	$ 20,741

* Plant fund includes the chancery and shrine.

During 2025, on November 8, 2024, the Eparchy put its Cathedral and related land and other related assets up for sale. As such, $3,995,428 of the Eparchy's assets are for sale with a net book value of $285,600 and are classified as Assets Held for Sale in the Consolidated Statement of Financial Position as of June 30, 2025.

Subsequent to the fiscal year ended June 30, 2025 and before the date these consolidated financial statements were available to be issued, the Cathedral was sold for $2,429,000 on September 19, 2025, with related assets disposed of by either being included in the sale or auctioned off to the general public. The proceeds of the sale will be contributed to the Parish in which the underlying property was located.

NOTE D - LOAN PAYABLE

During 2025, the Eparchy obtained a loan of $350,000 from another Catholic entity. The proceeds of the loan were used to pay a legal settlement in the same amount. As of June 30, 2025, there were no terms related to interest, repayments or collateral for this loan.

Subsequent to the fiscal year ended June 30, 2025 and before the date these consolidated financial statements were available to be issued, the Eparchy made a $150,000 principal on October 27, 2025 reducing the amount owed to $200,000. The Eparchy and the lender then agreed to repayment terms requiring monthly payments of $2,202, bearing interest at 5% until expected maturity of October 2035. The loan is unsecured.

NOTE D - LOAN PAYABLE (CONTINUED)

Required annual principal payments for the next five years as of December 31, 2024 are as follows:

2026	$ 153,237
2027	16,972
2028	17,841
2029	18,753
2030	19,713
Thereafter	123,484
Total	$ 350,000

NOTE E - RETIREMENT PLAN

The Eparchy maintains a non-qualified non-contributory priest retirement plan. The plan is self-administered by a Retirement Plan Board. Contributions to the plan are based upon discretionary assessments to the parishes of the Eparchy as well as discretionary contributions made by the Eparchy. The Eparchy made contributions to the plan totaling $0 during fiscal year ended June 30, 2025. The Plan is not covered by ERISA. The Eparchial Bishop can terminate contributions to the Plan at any time. The Retirement Plan assets are separately maintained and invested in restricted accounts outside the general assets of the Eparchy. As of June 30, 2025, the net assets of the retirement plan amounted to $3,603,058.

NOTE F - LEASES AND OTHER COMMITMENTS

The Eparchy leases office equipment and office space under non-cancelable operating leases expiring in various years through fiscal 2030, with a weighted-average remaining lease term in years of 1.96 as of June 30, 2025.

The net present value of the lease commitments were calculated using the risk free rate practical expedient resulting in discount rates ranging from 2.64% to 3.98%, with a weighted-average discount rate of 3.04%. The right-of-use assets and operating lease liabilities are being amortized over the respective lives of the leases. As of June 30, 2025, the unamortized right-of-use assets were valued at $67,709 and the unamortized operating lease liabilities were valued at $67,709.

NOTE F - LEASES AND OTHER COMMITMENTS (CONTINUED)

At June 30, 2025, minimum future rental payments for the next five years and thereafter, separately and in the aggregate, are:

2026	$ 49,967
2027	9,525
2028	4,957
2029	4,876
2030	813
Thereafter	0
Total minimum future rental payments	70,138
Less: Amount representing interest	(2,429)
Total Minimum Payments	$ 67,709

Rent expense, including lease expense and other costs, for office space and leased equipment, amounted to $46,563 for the year ended June 30, 2025.

NOTE G - CONTINGENT LIABILITIES

The Eparchy is a guarantor of notes payable to the Parishes Together Fund deposit and loan program, which is a cooperative investment and lending program established for the purpose of financing the capital needs of its participants, which are member parishes and organizations of the Eparchy. The contingent liabilities representing total amounts owed to the Parishes Together Fund by the various participants at June 30, 2025 were $1,431,320.

In May 2022, the Eparchy entered into a commercial guaranty agreement with Unity Catholic Credit Union on vehicle loans for priests. The maximum amounts for the loans and loan terms are determined on a case-by-case basis considering prevailing interest rates and other factors. For each loan guaranteed by the Eparchy, the priest signed a Loan Guaranty Collateral Agreement, which stipulates that in the event that the Eparchy is required to make a payment on behalf of the borrower under the guaranty or the borrower ceases to be employed by the Eparchy or one of its parishes, the borrower agrees to transfer the vehicle to the Eparchy in consideration for the Eparchy's assumption of the loan payments due under the vehicle loan.

The borrower is solely responsible for costs of maintenance, repair, and insurance of the vehicle while owned by the borrower. Borrower's insurance policy must list "Byzantine Catholic Diocese of Parma" as an additional loss payee. As of June 30, 2025, the Eparchy was the guarantor of four loans under this agreement with combined outstanding balances of $30,741. The loans are secured by the vehicles owned by the priests, have interest rates of 2.99%, and payment terms of 60 months.

NOTE G - CONTINGENT LIABILITIES (CONTINUED)

At June 30, 2024, the Eparchy was engaged in civil and canonical litigation over employment matters with one of its priests. The Eparchy prevailed in a jury trial held in November 2021. The priest filed an appeal and an additional lawsuit. The Eparchy prevailed in both, but the priest then appealed to the Ohio Supreme Court where the Eparchy again prevailed. The plaintiff's only recourse at this point was to file an appeal with the Supreme Court of the United States. On December 28, 2023, the plaintiff filed a Writ of Certiorari with the Supreme Court of the United States, which is a plea asking the Supreme Court for permission to file an appeal. The Petition for a Writ of Certiorari was denied by the Supreme Court of the United States on March 18, 2024. The attorneys for the Eparchy concluded in a legal letter in January 2025 that this priest has exhausted all appeals and the litigation has concluded.

The Eparchy was named in two separate lawsuits in the State of Arizona alleging sexual abuse perpetrated by the same, now-deceased priest, during the early 1970s. In October 2022, the Eparchy entered into a settlement agreement with one of the plaintiffs. As part of the agreement, the Eparchy paid $165,000. During 2025, the Eparchy reached an agreement to settle with the second plaintiff for $350,000. The plaintiff was paid in full via a third-party attorney on May 23, 2025, at which point the case was considered permanently closed. As further described in Note D, the Eparchy obtained a loan from another Catholic entity to pay this settlement.

NOTE H - DESIGNATED NET ASSETS

Designated net assets include unspent contributions from the Annual Stewardship Appeal and fundraising events held for the benefit of the Eparchy of Parma Foundation, net of related expenses, and restricted to purposes outlined in the solicitation materials. Additionally, net proceeds from the sale of the former St. Nicholas and St. Eugene Parish properties—after deducting holding costs—were designated by the Bishop, in accordance with canon law, to support the Pension Fund, Parish Development of Parishes, Vocations, and Works of the Apostolate, as reflected in the schedule below:

Foundation Funds:	
Development of Parishes; Seminary & Vocations; Works of the Apostolate; Retired Clergy	$ 251,121
Development of Parishes	44,719
Seminary, Vocations, & Clergy Formation	232,551
Works of the Apostolate	159,051
Benevolence	25,002
Total	$ 712,444

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 are available for the following purposes:

TV Logos Evangelization Project	$	80,000
Seminary & Vocations		158,282
Youth Activities		6,122
Eucharistic Revival		4,429
Support of Missions		1,463
Parish Insurance Reserve		46,215
Total	$	296,511

Net assets released from restrictions during 2025 for the following purposes were as follows:

Retired Clergy Fund	$	18,100
Youth Activities		13,687
Eucharistic Revival		15,571
Seminary & Vocations		21,197
Catholic marriage Initiatives		18,500
Total net assets released	$	87,055

NOTE J- LOSS ON SALE OF PROPERTY

The loss on sale of property of $848 reflected in the consolidated financial statements for the year ended June 30, 2025 consists of a gain on the sale of a vehicle of $1,239 and a loss on the disposal of computer equipment of $2,087.

NOTE K- DONATED SERVICES

The Eparchy receives donated legal services related to immigration requirements for priests. The value of the donated legal services was not provided for the year ended June 30, 2025 and therefore could not be determined.

NOTE L - CLERGY HEALTH INSURANCE

The Eparchy provides health insurance coverage to its clergy through the Eastern Catholic Benefit Plan & Trust (ECBT or Plan), which is a self-funded church plan sponsored by the Archeparchy of Pittsburgh and registered in the Official Catholic Directory. The Eparchy of Parma is one of five participating employers, which are all Eastern Catholic eparchies. The Plan uses a third party administrator (TPA) to provide a health provider network, process claims, and administer the plan. The Plan has a stop loss insurance contract with a specific deductible per person of $85,000. The Plan also uses the services of a captive insurance company and consulting firm, to mitigate risk. The Plan consults with the consulting firm to determine an appropriate contribution amount per employer to cover re-insurance premiums, administrative costs, and expected claims costs for the plan year. The contribution rate is determined for single, single +1, and family categories. The contribution rate is then billed on a quarterly basis to each of the participating employers by ECBT. Each parish within the Eparchy of Parma is responsible for paying the health insurance cost for its priest(s). The Eparchy's insurance consultant, Employee Benefit Services, Inc., handles administration of the program on its behalf which includes remitting invoices to the parishes and Eparchy, collecting payments, and remitting payments to ECBT and the TPA. From time to time, the parishes are unable to make their contribution payment. In these cases, the Eparchy makes payment on behalf of the parish to ensure that the proper amount is contributed to the Plan.

NOTE M - LIQUIDITY AND FUNDS AVAILABLE

The Eparchy manages liquidity and cash reserves following these principles: (1) operate within a prudent range of financial soundness and stability; (2) maintain sufficient liquid assets to fund near-term operating needs; and (3) maintain sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Eparchy's financial assets as of the Consolidated Statement of Financial Position date, reduced by amounts not available for general use within one year of June 30, 2025 because of contractually imposed or internal designations:

Cash and cash equivalents	$ 488,158
Investments	697,658
Total financial assets	1,261,762
Less amounts not available to be used for general expenditures within one year	
Amounts set aside for donor restricted purpose	296,511
Amounts set aside for designated purpose under canon law	712,444
Amounts not available for general expenditures	1,008,955
Financial assets available to meet cash needs for general expenditures within one year	$ 252,807

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

CONSOLIDATING INFORMATION

JUNE 30, 2025

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

SCHEDULE I – CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

	Eparchy	Foundation	Eliminations	Total
Assets				
Cash and cash equivalents	$ 297,100	$ 191,058	$ 0	$ 488,158
Investments	0	697,658	0	697,658
Accounts receivable	466,177	0	0	466,177
Pledges receivable	72,500	0	0	72,500
Notes and advances receivable	75,946	0	0	75,946
Due from Eparchy/(Due to Foundation)	(1,441)	1,441	0	0
Land, buildings and equipment, net	45,794	0	0	45,794
Assets held for sale	285,600	0	0	285,600
Security deposits and prepaid expenses	36,090	8,700	(8,700)	36,090
Operating right of use assets	67,709	0	0	67,709
Total Assets	$ 1,345,475	$ 898,857	$ (8,700)	$ 2,235,632
Liabilities				
Accounts payable	$ 64,330	$ 37,530	$ 0	$ 101,860
Credit card payable	3,258	0	0	3,258
Other liabilities	41,147	0	(8,700)	32,447
Operating lease obligations	67,709	0	0	67,709
Loan payable	350,000	0	0	350,000
Total Liabilities	526,444	37,530	(8,700)	555,274
Net Assets				
Without donor restrictions - Undesignated	680,808	(9,405)	0	671,403
Without donor restrictions - Board designated	0	712,444	0	712,444
	680,808	703,039	0	1,383,847
With donor restrictions	138,223	158,288	0	296,511
Total Net Assets	819,031	861,327	0	1,680,358
Total Liabilities and Net Assets	$ 1,345,475	$ 898,857	$ (8,700)	$ 2,235,632

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

SCHEDULE II – CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	Eparchy	Foundation	Eliminations	Total
Support and Revenues				
Eparchial assessments	$ 454,526	$ 0	$ 0	$ 454,526
Contributions - stewardship	0	295,021	0	295,021
Contributions - other	62,013	127,867	0	189,880
Grant income	365,945	0	(218,050)	147,895
Horizons income	29,963	0	0	29,963
Program income	6,503	0	0	6,503
Miscellaneous income	6,903	262	0	7,165
Parish accounting services and management fees	54,751	0	(21,526)	33,225
Reimbursements from parishes, net	351,021	0	0	351,021
Special events income and contributions	0	74,158	0	74,158
Total Support and Revenues	1,331,625	497,308	(239,576)	1,589,357
Expenses				
Program services:				
Clergy Support	415,386	99,972	(73,500)	441,858
Horizons & Communications	46,967	0	0	46,967
Seminary, Diaconate & Vocations	23,312	151,657	(31,250)	143,719
Evangelization, Religious Ed, Youth & Family Ministry	146,090	96,990	(95,850)	147,230
Parishes, Missions, and Shrine	49,854	21,197	(17,450)	53,601
Total Program Services	681,609	369,816	(218,050)	833,375
Supporting services:				
Management and General	773,127	6,817	0	779,944
Fundraising and Development	69,338	127,283	(21,526)	175,095
Total Supporting Services	842,465	134,100	(21,526)	955,039
Total Expenses	1,524,074	503,916	(239,576)	1,788,414
Changes in Net Assets From Operations	(192,449)	(6,608)	0	(199,057)
Other Income (Expenses)				
Interest income	298	18,723	0	19,021
Investment gain	0	20,365	0	20,365
Loss on sale of property	(848)	0	0	(848)
Total Other Income (Expenses)	(550)	39,088	0	38,538
Changes in Net Assets	(192,999)	32,480	0	(160,519)
Net Assets at Beginning of Year	642,763	828,847	0	1,471,610
Changes in Basis of Accounting	369,264	0	0	369,264
Net Assets at End of Year	$ 819,028	$ 861,327	$ 0	$ 1,680,355

BYZANTINE CATHOLIC EPARCHY OF PARMA AND AFFILIATE

SCHEDULE III– CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

	Eparchy	Foundation	Eliminations	Consolidated
Net Assets at July 1, 2024	$ 642,766	$ 828,847	$ 0	$ 1,471,613
Change in Basis of Accounting	369,264	0	0	369,264
Change in Net Assets	(192,999)	32,480	0	(160,519)
Net Assets at June 30, 2025	$ 819,031	$ 861,327	$ 0	$ 1,680,358