



Українська Католицька Єпархія св. Євщм. Йосафата у Пармі
UKRAINIAN CATHOLIC EPARCHY OF SAINT JOSAPHAT IN PARMA

June 12, 2015

Protocol Number: 96/15 S

Dear Brothers and Sisters in Christ:

The Ukrainian Catholic Eparchy of Saint Josaphat in Parma has had its finances audited by an outside accounting firm, Simic CPA & Co., since 2011, which produces the financial statements of the Eparchy. I am pleased to publish the latest financial statements, for the year 2014, on the Eparchy's website to help the faithful gain a clear understanding of the Eparchy's financial state. I am also publishing alongside the financial statements a letter from Father Steven Paliwoda, the Eparchy's Financial Officer, to explain many items in the financial statements in detail. I encourage you to read Father Steven's letter in conjunction with the financial statements.

It is important for the Ukrainian Catholic Eparchy of Saint Josaphat in Parma to be a good steward of the gifts entrusted to it, and transparent about its finances. Having our finances audited by an independent accounting firm, and publishing our financial statements online and sending them to all of our parishes, puts the Eparchy amongst the most financially transparent Catholic dioceses in the world. In the same way, it is also very important for each parish to be transparent in its finances and accountable to the faithful, who support the Church and for whom the Church exists to serve.

I would like to make the following general observations about the financial state of the Eparchy.

- ✓ The Eparchy's Financial Situation Continues to Improve, but is Still Precarious. During the years 2011-2013, the Eparchy paid about half of its debts. In 2014, we continued to pay down debt, especially short-term debts. But the Eparchy still has large long-term loans outstanding to Cleveland Selfreliance Federal Credit Union and to the priests' retirement fund (the "Sacerdotal Society"). The Eparchy is technically insolvent because its debts are greater than its assets. (The unrestricted assets of the Eparchy are \$176,845 and its debt to outside institutions is \$289,125.)
- ✓ Plan to Strengthen the Eparchy's Financial State / Role of the Stewardship Office. The Eparchy's Stewardship Office has greatly helped improve the Eparchy's financial situation over the past three years. By adding over \$250,000 a year in income in the form of grants and donations that did not previously exist, the Stewardship office has helped reverse the Eparchy's financial decline. I am hopeful that the Stewardship Office will continue to produce excellent results in grants from foundations. **However, we cannot rely upon outside grants alone. We need you, the faithful, to respond generously to the Eparchy's appeals for financial help, such as through our Lenten Appeal and Christmas Appeal, and by making a gift from your estate.**
- ✓ Other Steps Being Taken. We are doing everything possible to be as efficient as possible, cut expenses and maximize our resources. The Eparchy plans to sell a few unproductive assets (property that is not being used) and use the proceeds to pay its debts. We are delaying certain noncritical repairs until we have raised funds to pay for those repairs.



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- ✓ **Important Ministries Being Expanded.** While I am concerned about the Eparchy's precarious financial state, it is important that we invest in our most important programs and ministries. Three of these are foremost. First, Youth Ministry. Our children are the future of the Church, and we need to ensure that they receive proper formation to grow closer to Christ each day. Second, Missions (new parishes). We have opened several new parishes in the Eparchy over the past decade in areas where there was no parish previously, and where people clamored for the Sacraments. I would also like to open three new missions in the South: Louisville, Kentucky; Charleston, South Carolina; and Columbia, South Carolina. We need to support all of our parishes in their early days to help them grow. Third, Seminarians. It is important that we train young men for the priesthood so that we have enough priests to serve our parishes. Therefore, we have increased our investment in these programs over the past few years, and will continue to do so. If we wait to invest in critical programs and needs such as these, it will be too late.
- ✓ **The Future of the Eparchy Depends Upon You.** The ability of the Eparchy to maintain parishes across twelve states and continue its ministries depends upon the financial support that **you**, the faithful, give to it. **I ask you to be generous in every way possible**, including possibly remembering the Eparchy in your will, or as the beneficiary of an insurance policy or IRA. We also have an annuity option, the Catholic Gift Annuity, that offers tax advantages which we offer in partnership with Catholic Extension Society. Please consider these and other ways of supporting your Eparchy.

I hope the publication of this financial information gives you a clear sense of the Eparchy's finances. If you have any questions about the financial statements, please call the Eparchy's Stewardship Director, John F. Kurey, Esq., MBA, in the Chancery at 440-888-1522, or email him at stjosaphatstewardship@yahoo.com. He will be happy to answer your questions.

I would like to thank Father Steven Paliwoda, the Eparchy's Financial Officer, for his work in maintaining the financial records and paying the bills for the past several years; Yevhen Gulenko, who maintains the Eparchy's website and posted this information on it; Michael Simic and his colleagues at Simic CPA & Co., for auditing the Eparchy's finances for the past three years; John F. Kurey, Esq., MBA, who has provided outstanding results as the Eparchy's Stewardship Director since December 2011; and Taras Szmagala Jr., a faithful layman from Cleveland whose encouragement helped move the Eparchy forward with being transparent about its finances. Finally, **I would like to thank you** for your gifts of time, talent and treasure to your parish, to the Eparchy and to the Church. It is a privilege to serve as your Bishop. May God bless you for your generosity!

With prayerful best wishes, I remain

Gratefully yours in Christ,

Most Reverend Bohdan J. Danylo