

FINANCIAL REPORT

Diocese of Scranton Fiscal Year 2023-2024



Dear Sisters and Brothers in Christ,

“Honor the Lord with your wealth, with first fruits of all your produce. Then will your barns be filled with plenty, with new wine your vats will overflow.” (Proverbs 3:9-10)

I write to you today with immense gratitude for your continued generosity and unwavering support of the life and mission of our Diocese. As stewards of God’s abundant grace, we are called to manage and direct the resources entrusted to us with great care and fidelity.

It is with this sense of duty that I present to you the audited financial statements of the Administrative Offices of the Diocese of Scranton for the 2023-2024 fiscal year. This report outlines in detail the stewardship of the resources entrusted to our care over the past year.

The Book of Proverbs reminds us that honoring the Lord with our wealth is not only an act of gratitude but also a pathway to abundant blessings. Each and every dollar that the Diocese receives - whether through our parishes, special donations or other forms of support - is a gift from God. It is because of your generous hearts and faithfulness that we are able to carry out the work of the Church in the 11-counties of northeastern and north central Pennsylvania.

Through your sacrificial gifts, we are able to support our priests, maintain our sacred spaces, fund essential ministries, and serve the most vulnerable among us. It is only fitting, then, that we are transparent with you regarding how your contributions are used, and how they enable us to continue fulfilling our mission.

The gifts you share are an extension of your faith and your trust in the Church, and it is my sacred duty to ensure that these resources are used wisely, prudently, and in a way that honors God. Over the last year, we have continued to focus on several of our key Diocesan initiatives, including but not limited to:

- **Vision 2030 Blueprint Process:** Our long-range pastoral planning process that looks proactively at the realities of our local church in the present moment, while striving to meet the opportunities and challenges of the coming decade to create vibrant parishes rooted in the life of Jesus Christ.
- **“Our Faith. Our Students. Our Future”:** After 21 months of work, in January 2025, we completed and published our Strategic Growth Plan for our 19 Catholic Schools. We are now focused on implementing goals identified in the areas of Catholic Mission and Identity; Academic Excellence; Governance and Leadership; Enrollment Management; Development; Facilities and Finances.
- We have initiated a Pastoral Planning Process for Hispanic Ministry that includes collecting data from our parishes that offer Spanish-speaking and listening to parishioners to help formulate an updated plan for Hispanic Ministry in the Diocese of Scranton.

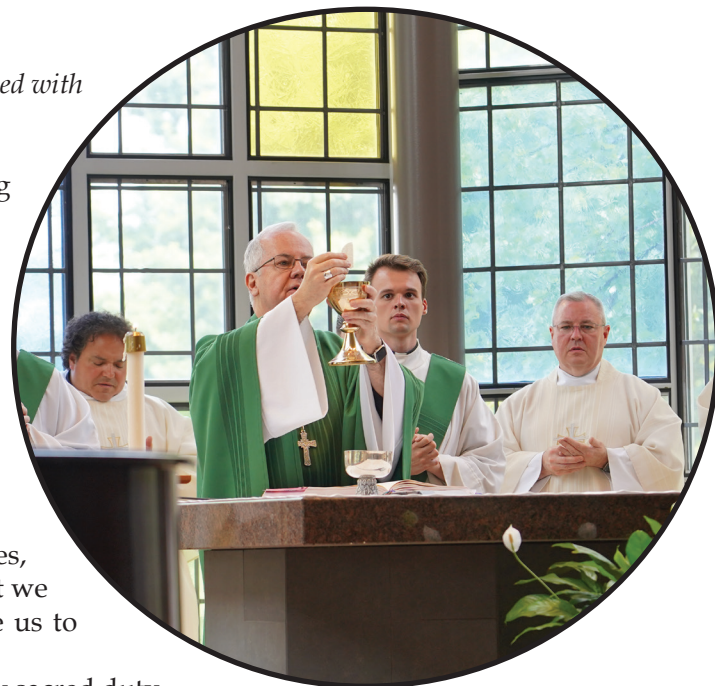
As you review this report, I once again express my profound gratitude to you. Your faithfulness, your sacrifices, and your love for God and our Church are the foundation of everything we do. Together, we are living witnesses of the love of Christ, and through our collective efforts, we can continue to bring His light to the world.

May God bless you abundantly for all that you do in His name.

Faithfully yours in Christ,

+ Joseph C. Bambera

Most Reverend Joseph C. Bambera, D.D., J.C.L.
Bishop of Scranton



CATHOLIC COMMUNITY AT A GLANCE

STATISTICS REFLECT THE 2024 CALENDAR YEAR

TOTAL POPULATION
1,104,932
CATHOLIC POPULATION
317,426



1
BISHOP

1
RETIRED BISHOP

78
PRIESTS ASSIGNED IN
THE DIOCESE

5
PRIESTS ASSIGNED
OUTSIDE DIOCESE

94
RETIRED OR ILL
PRIESTS

177
TOTAL NUMBER OF
DIOCESAN PRIESTS



23
INTERNATIONAL PRIESTS
SERVING IN THE DIOCESE

54
RELIGIOUS ORDER
PRIESTS

5
RELIGIOUS ORDER
BROTHERS

343
RELIGIOUS ORDER
SISTERS

94
PERMANENT
DEACONS

10
SEMINARIANS



2,162
BAPTISMS

1,828
FIRST COMMUNIONS

1,804
CONFIRMATIONS

3,476
FUNERAL SERVICES

381
MARRIAGES
303 CATHOLIC
78 INTERFAITH

106
NUMBER OF PARISHES
ACROSS 11 COUNTIES

A message from the Chief Financial Officer of the Diocese of Scranton

Dear Friends,

As the Chief Financial Officer of the Diocese of Scranton, it is my privilege to present the 2023-2024 audited financial report for the Diocese of Scranton Administrative Offices. This report provides an overview of the prudent use of funds that have been received for the period covering July 1, 2023, to June 30, 2024.

I want to take a moment to express our ongoing commitment to transparency and the wise use of the financial gifts entrusted to us by our parishioners, donors, and supporters. Our mission to serve the community, support our Catholic ministries, and sustain the work of the Diocese of Scranton depends on the careful stewardship of resources.

In line with our core values, we have worked diligently to manage our finances with integrity, making sure that all funds are spent with purpose and in alignment with our shared mission.

Below I would like to highlight some key changes in both revenue and expenses from the past 2023-2024 Fiscal Year.

- Due to increased stewardship efforts at the parish level, assessment revenue to the Diocese of Scranton increased during the 2023-2024 Fiscal Year. This increase from last fiscal year was largely offset by one-time Employee Retention Tax Credit income of \$1,743,921 which was included in Fiscal Year 2022-2023 and not 2023-2024. Catholic school assessments also increased and, while billed through the Diocesan Administrative Office, are passed directly onto the Diocesan Catholic School System.

- The Diocese experienced higher self-insurance premiums in all of its categories due to the increase cost of claims, inflation, and continued increases in the insurance premium market.

- One-time bequests in the 2023-2024 Fiscal Year did not replicate the levels of the 2022-2023 Fiscal Year. There was a significant decrease in the current fiscal year of \$769,609.

- Funds raised by the 2023 Diocesan Annual Appeal totaled \$4,030,270. The Diocese returned \$164,911 directly to parishes that exceeded their goal for the campaign. This means the revenue from the Appeal to the Diocese totaled \$3.86 million. Funds raised by the 2022 Diocesan Annual Appeal totaled \$4,245,866. In that year, the Diocese returned \$192,860 directly to parishes that exceeded their goal for the campaign. Revenue from the 2021 Appeal totaled just over \$4 million.

- Parishioners were extremely generous to National collections in the 2023-2024 Fiscal Year. The amount collected this fiscal year was \$912,884 compared to \$645,129 the previous fiscal year.

- The 2023-2024 Fiscal Year report includes a bad debt expense of nearly \$2.4 million due to the Catholic School System struggling to pay self-insurance premiums. The Strategic Growth Plan for the Catholic School System that was released in January 2025 highlights many goals and objectives that are expected to help the School System achieve financial stability.

- While the Diocesan Finance Office has focused on controlling costs, there were targeted increases in certain areas connected to our goals and objectives, including in evangelization programming, clergy formation, Hispanic ministry and our international clergy program.

- As in previous years, the financial statements of the Diocesan Administrative Offices have been independently audited by McGrail Merkel Quinn & Associates, P.C., Certified Public Accounts. The statements include activities related to the Diocesan Administrative Offices, not activities related to Catholic Social Services or the Catholic School System. These organizations are audited separately. The statements also do not include parish activities.

I invite you to view the complete audited financial statement for the 2023-2024 fiscal year on the Diocese of Scranton website at dioceseofscranton.org/directory/offices/financial-services.

I want to publicly thank the members of the Diocesan Finance Council for the support they provide to the Bishop and my staff. I also want to thank all parishioners for the continuing generosity they provide and for the sharing of their time, talent and treasure to help us continue building a financially sound foundation for future generations to thrive in faith and service.

Sincerely yours in Christ,

Eileen Giombetti

Eileen Giombetti

Diocesan Secretary for Financial Services



DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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Independent Auditor's Report

Most Reverend Joseph C. Bambera, D.D., J.C.L.
Bishop of Scranton
Diocese of Scranton
Scranton, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Diocesan Administrative Offices of the Diocese of Scranton (the Diocese), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Diocese as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Diocese and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Most Reverend Joseph C. Bambera, D.D., J.C.L.
Bishop of Scranton
Diocese of Scranton

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 GAAS 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 GAAS, 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 of the Diocese'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 Diocese'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.

Most Reverend Joseph C. Bambera, D.D., J.C.L.
Bishop of Scranton
Diocese of Scranton

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules 1 to 5 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

MMA + Associates, P.C.

Scranton, Pennsylvania
December 17, 2024

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 18,127,400	\$ 10,926,979
Accounts receivable, less allowance for credit losses of \$8,013,913 in 2024 and \$5,625,602 in 2023	1,181,805	4,434,009
Accrued interest receivable	106,610	58,379
Contributions receivable	440,998	451,911
Prepaid expense	298,173	688,145
Cash subject to program restrictions	2,232,010	8,901,248
Notes and loans receivable	2,444,315	2,637,031
Investments	20,815,771	19,642,275
Land, buildings and equipment, net	5,809,280	5,744,059
Other assets	512,230	442,875
Beneficial interest in charitable trust	370,655	246,606
	<u> </u>	<u> </u>
Total assets	<u>\$ 52,339,247</u>	<u>\$ 54,173,517</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

STATEMENTS OF FINANCIAL POSITION - CONTINUED

JUNE 30, 2024 AND 2023

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 796,203	\$ 1,299,736
Custodial funds payable	86,606	303,771
Contributions payable	614,377	812,916
Scholarships payable	535,622	610,788
Liability for pension benefits	3,096,706	4,862,024
Accrued claim expense	1,456,514	1,500,340
Accrued postretirement benefit obligation	6,991,662	6,911,279
Loans payable	2,444,315	2,637,031
Due to Catholic Cemeteries	16,052	965,481
Due to Diocese of Scranton Institute	16,168,558	16,162,140
Total liabilities	<u>32,206,615</u>	<u>36,065,506</u>
Net assets		
Without donor restrictions	8,866,542	7,558,924
With donor restrictions	11,266,090	10,549,087
Total net assets	<u>20,132,632</u>	<u>18,108,011</u>
Total liabilities and net assets	<u>\$ 52,339,247</u>	<u>\$ 54,173,517</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Parish assessments						
Diocesan	\$ 3,905,722	\$ -	\$ 3,905,722	\$ 3,638,798	\$ -	\$ 3,638,798
Clergy Care and Wellness	960,012	-	960,012	959,987	-	959,987
Catholic Schools	6,974,069	-	6,974,069	6,041,629	-	6,041,629
Intra-Diocesan billings						
Self-insurance premiums - General	4,725,748	-	4,725,748	4,379,604	-	4,379,604
Self-insurance premiums - Medical	9,971,706	-	9,971,706	9,846,276	-	9,846,276
Clergy benefit programs	2,069,173	-	2,069,173	2,015,321	-	2,015,321
Diocesan Program Revenues - <u>Schedule 1</u>	273,900	-	273,900	223,104	35,000	258,104
Diocesan Annual Appeal	-	3,864,989	3,864,989	-	4,053,006	4,053,006
Special collections	-	26,374	26,374	-	27,304	27,304
Donations and bequests	596,763	210,364	807,127	611,584	965,152	1,576,736
Scholarship Foundation contributions	-	527,559	527,559	-	838,282	838,282
Custodial receipts						
National collections	-	912,884	912,884	-	645,129	645,129
Unemployment	287,424	-	287,424	226,178	-	226,178
Propagation collections	444,983	-	444,983	168,657	-	168,657
Other revenue	469,904	-	469,904	358,701	-	358,701
Employee Retention Credit income	-	-	-	1,743,921	-	1,743,921
Investment income, net	377,380	847,056	1,224,436	590,061	275,630	865,691
Net realized (loss) gain on sale of investments	(172,952)	(79,182)	(252,134)	(254,895)	(40,403)	(295,298)
Net realized gain on sale of property	9,301	-	9,301	47,150	-	47,150
Net assets released from restrictions (Note 7):						
Satisfaction of program restrictions	6,376,748	(6,376,748)	-	5,913,906	(5,913,906)	-
 Total revenues, gains and other support	 \$ 37,269,881	 \$ (66,704)	 \$ 37,203,177	 \$ 36,509,982	 \$ 885,194	 \$ 37,395,176

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES
OF THE DIOCESE OF SCRANTON
STATEMENTS OF ACTIVITIES - CONTINUED
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Total revenues, gains and other support - carried forward	\$ 37,269,881	\$ (66,704)	\$ 37,203,177	\$ 36,509,982	\$ 885,194	\$ 37,395,176
Expenses						
Pastoral - <u>Schedule 2</u>	6,191,180	-	6,191,180	6,316,256	-	6,316,256
Educational - <u>Schedule 3</u>	9,493,728	-	9,493,728	8,780,381	-	8,780,381
Community and Social Service - <u>Schedule 4</u>	2,548,617	-	2,548,617	2,121,794	-	2,121,794
Administrative - <u>Schedule 5</u>	17,153,918	-	17,153,918	16,819,982	-	16,819,982
Custodial disbursements						
National collections	912,884	-	912,884	645,129	-	645,129
Unemployment	104,185	-	104,185	134,735	-	134,735
Total expenses	36,404,512	-	36,404,512	34,818,277	-	34,818,277
Excess of revenues over expenses	865,369	(66,704)	798,665	1,691,705	885,194	2,576,899
Other changes						
Change in value of beneficial interest in perpetual trust	-	124,049	124,049	-	10,002	10,002
Provision for credit losses	(2,388,312)	-	(2,388,312)	-	-	-
Other components of net periodic pension cos	186,577	-	186,577	15,101	-	15,101
Pension-related changes other than net periodic pension cost	1,097,243	-	1,097,243	1,923,168	-	1,923,168
Change in net unrealized gains and losses on investments	1,546,741	659,658	2,206,399	1,032,109	165,998	1,198,107
Increase in net assets	1,307,618	717,003	2,024,621	4,662,083	1,061,194	5,723,277
Net assets, beginning	7,558,924	10,549,087	18,108,011	2,896,841	9,487,893	12,384,734
Net assets, ending	\$ 8,866,542	\$ 11,266,090	\$ 20,132,632	\$ 7,558,924	\$ 10,549,087	\$ 18,108,011

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Increase in net assets	\$ 2,024,621	\$ 5,723,277
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized loss on sale of investments	252,134	295,298
Net unrealized gain on investments	(2,206,399)	(1,198,107)
Net realized gain on sale of property	(9,301)	(47,150)
Amortization on investments	20,468	41,821
Depreciation expense	364,659	350,955
Provision for credit losses	2,388,312	-
Change in beneficial interest in charitable trust	(124,049)	(10,002)
Decrease in accounts receivable	863,892	2,290,928
(Increase) decrease in accrued interest receivable	(48,231)	15,447
Decrease (increase) in contributions receivable	10,913	(11,523)
Decrease in due from Catholic Cemeteries	-	94,744
Decrease (increase) in prepaid expense	389,972	(451,424)
(Increase) decrease in other assets	(69,355)	319,931
(Decrease) increase in accounts payable	(503,533)	551,924
(Decrease) increase in custodial funds payable	(217,165)	25,837
Decrease in contributions and scholarships payable	(273,705)	(596,172)
Decrease in liability for pension benefits	(1,765,318)	(1,100,315)
Decrease in accrued claim expense	(43,826)	(1,195,859)
Increase (decrease) in accrued postretirement benefit obligation	80,383	(1,239,553)
Decrease in refundable advances	-	(130,194)
(Decrease) increase in due to Catholic Cemeteries	(949,429)	965,481
Increase (decrease) in due to Diocese of Scranton Institute	6,418	(77,287)
Net cash provided by operating activities	<u>191,461</u>	<u>4,618,057</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

STATEMENTS OF CASH FLOWS - CONTINUED

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Investing activities		
Purchase of fixed assets	\$ (429,880)	\$ (464,714)
Proceeds from sale of property	9,301	47,150
Principal collected-loans receivable	192,716	187,153
Purchase of investments	(6,129,431)	(20,472,916)
Proceeds from sale of investments	6,889,732	18,644,128
Net cash provided by (used in) investing activities	<u>532,438</u>	<u>(2,059,199)</u>
Financing activities		
Principal payments on loan	<u>(192,716)</u>	<u>(187,153)</u>
Net cash used in financing activities	<u>(192,716)</u>	<u>(187,153)</u>
Net increase in cash	531,183	2,371,705
Cash, cash equivalents and restricted cash, beginning	<u>19,828,227</u>	<u>17,456,522</u>
Cash, cash equivalents and restricted cash, ending	<u>\$ 20,359,410</u>	<u>\$ 19,828,227</u>

The accompanying Notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The accompanying financial statements are limited to reporting financial transactions of the Diocesan Administrative Offices of the Diocese of Scranton (the Diocese). Other organizations maintained separately from the Administrative Offices are not reported on in these financial statements, including Catholic Schools, Catholic Youth Center, Catholic Social Services, Diocese of Scranton Institute and other Diocesan service organizations. These statements also exclude the financial transactions of the parishes and the Diocesan and parish cemeteries.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles; the more significant of which are described below.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Public Support and Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same year as received or earned are reported as revenues without donor restrictions. An allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Endowment contributions and investments are restricted by the donor in perpetuity. Investment earnings that are available to be distributed are recorded as support with donor restrictions.

Parish Assessments and Insurance and Benefit Programs

Assessments and billings to parishes, schools and other Diocesan organizations are for parish services, clergy support, property insurance and medical insurance. Revenue is recognized when the service is provided.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Accounts Receivable

Accounts receivable consists of assessments billed to parishes and other Diocesan organizations for insurance, priests' pension and health insurance and Diocesan programs and operations. Based on management's evaluation of collectibility, the Diocese has established an allowance for credit losses.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statements of Financial Position. Investment income or loss (including realized gains and losses on investments, interest and dividends) is reported in the Statements of Activities as increases or decreases in net assets without donor restrictions unless the income is restricted by donor or law.

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost less accumulated depreciation. Donations of land, buildings or equipment are recorded at estimated fair value and are included in support unless restricted to a specific purpose. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is computed on the straight-line method over the estimated useful lives of assets.

Long-Lived Assets

The Diocese reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that carrying amounts of the assets might not be recoverable.

Contributions Payable

Contributions made and unconditional promises to make future contributions to other organizations are recognized when made or the promise conveyed. Contributions payable over more than one year are recorded at their discounted present value. Changes in discounts are recognized over the period of the promise as adjustments to contributions expense.

Excess of Revenues Over Expenses

The Statements of Activities include excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses include provision for credit losses, unrealized gains and losses on investments and transfers of assets to and from affiliates for other than goods and services.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Self-Insurance Programs

Diocesan organizations, including the Diocesan Administrative Offices, parishes and other institutions, are included in a combined plan for property, workers compensation and comprehensive liability insurance. Losses above a specific amount are insured with commercial insurance companies but losses below that amount are self-insured by the Diocese. The Diocese has standby letters of credit in the amount of \$1,800,000 to provide security for future workers' compensation claim payments and \$1,000,000 to provide security for future auto liability claim payments. The Diocese records as a liability, amounts determined by its insurance administrator as the estimated liability for claims filed for insured losses under the program. The actual liability paid may be in excess of or less than the amounts provided. Refer to Note 10 for additional information.

Defined Benefit Plans

The Diocese recognizes the overfunded or underfunded status of its defined benefit plans as an asset or liability in its Statements of Financial Position and recognizes changes in that funded status in the year in which the changes occur through other changes in net assets. Refer to Note 9.

Advertising

All advertising costs are expensed as incurred. For the years ended June 30, 2024 and 2023, advertising expense amounted to \$39,386 and \$47,858, respectively.

Cash Flows

For the purpose of the Statements of Cash Flows, the Diocese considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash is held in interest-bearing demand accounts and trust accounts at banks.

During the years ended June 30, 2024 and 2023, the Diocese did not pay any interest.

In March 2023, the Diocese approved an investment transfer in the amount of \$1,982,575 to the Diocese of Scranton Institute to fund Diocesan deposit accounts.

Income Tax Status

The Diocese is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

In accordance with the Financial Accounting Standards Board guidance on accounting for uncertainty in income taxes, management evaluated the Diocese's tax positions and concluded that the Diocese had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Diocese is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2020.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Cost Allocations

The financial statements report certain expense categories that are attributable to more than one function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including general insurance and depreciation are allocated to a functional region based on square-footage. Salaries and wages, employee benefits, and other expenses are allocated to a functional region based on estimated time and effort.

Liquidity

The Diocese regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of June 30, 2024, the following financial assets are available to meet annual operating needs for the year ended June 30, 2025:

Financial assets at year-end:	
Cash and equivalents	\$ 18,127,400
Accounts receivable	1,181,805
Accrued interest receivable	106,610
Investments	<u>20,815,771</u>
	40,231,586
Less amounts not available to be used within one year:	
Investments with donor restrictions	<u>9,189,153</u>
Financial assets available to meet general expenditures within one year	<u>\$ 31,042,433</u>

The Diocese has various sources of liquidity at its disposal including cash, certificates of deposits, various receivables, and investments.

Reclassifications

Certain items on the prior year's financial statements have been reclassified to conform to the current year's format.

Subsequent Events

The Diocese has evaluated subsequent events through December 17, 2024, the date the financial statements were available to be issued, and concluded no events or transactions occurred during that period requiring recognition or disclosure.

Note 2 - Cash and Equivalents

Cash and equivalents at June 30, 2024, consisted of the following:

FNCB Bank	\$ 2,914,731
Community Bank	104,905
Citibank	21,323
PNC Bank	1,926,233
Fidelity Bank	934,905
Mid Penn Bank	441,891
Key Bank	39,585
Comerica Bank	9,963,516
Merrill Lynch	1,609
Fidelity Bank trust account	11,526
Diocese of Scranton Institute	1,850,177
First National Bank of Omaha	14,440
Peoples Security Bank and Trust	1,109,812
ESSA Bank and Trust	1,021,532
Petty cash	3,225
Total cash and restricted cash shown in the Statement of Cash Flows	20,359,410
Less: Cash subject to program restrictions	(2,232,010)
Total cash and equivalents	<u>\$ 18,127,400</u>

The above table provides a reconciliation of cash and restricted cash reported within the Statement of Financial Position that amount to the totals shown in the Statement of Cash Flows. Cash subject to program restrictions consists of the cash held to meet the requirements of net assets with donor restrictions and bank loans.

Note 3 - Contributions Receivable

Contributions receivable, net, consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Contributions receivable in:		
Less than one year	\$ 340,998	\$ 251,911
One year to five years	100,000	200,000
Total contributions receivable, net	<u>\$ 440,998</u>	<u>\$ 451,911</u>

Note 4 - Investments

Investments at June 30, 2024 and 2023 are summarized as follows:

	2024		2023	
	Cost	Fair Value (Carrying Value)	Cost	Fair Value (Carrying Value)
Without donor restrictions				
U.S. Obligations	\$ 2,784,255	\$ 2,754,963	\$ 2,246,408	\$ 2,251,654
Corporate Bonds	2,409,536	2,225,159	2,313,876	2,126,583
Mutual Funds	5,301,451	6,646,496	12,793,493	12,560,178
	<u>10,495,242</u>	<u>11,626,618</u>	<u>17,353,777</u>	<u>16,938,415</u>
With donor restrictions				
U.S. Obligations	1,119,261	1,198,087	253,799	248,732
Corporate Bonds	904,017	967,683	239,702	234,916
Mutual Funds	6,561,297	7,023,383	2,265,441	2,220,212
	<u>8,584,575</u>	<u>9,189,153</u>	<u>2,758,942</u>	<u>2,703,860</u>
Total investments	<u>\$ 19,079,817</u>	<u>\$ 20,815,771</u>	<u>\$ 20,112,719</u>	<u>\$ 19,642,275</u>

The above investments were deposited with Comerica Bank and Fidelity Bank.

The following schedule summarizes the investment return in the Statements of Activities:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income, net of fees of \$46,778	\$ 377,380	\$ 847,056	\$ 1,224,436
Net realized losses	(172,952)	(79,182)	(252,134)
Net unrealized gains	1,546,741	659,658	2,206,399
Total investment return	<u>\$ 1,751,169</u>	<u>\$ 1,427,532</u>	<u>\$ 3,178,701</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income, net of fees of \$45,836	\$ 590,061	\$ 275,630	\$ 865,691
Net realized losses	(254,895)	(40,403)	(295,298)
Net unrealized gains	1,032,109	165,998	1,198,107
Total investment return	<u>\$ 1,367,275</u>	<u>\$ 401,225</u>	<u>\$ 1,768,500</u>

Note 5 - Land, Buildings and Equipment

Land, buildings and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023	Depreciable Lives
Land, buildings and improvements	\$ 11,296,863	\$ 10,486,814	20-40 Years
Equipment	3,805,482	3,764,121	3-10 Years
Construction in progress	19,513	441,043	
	<u>15,121,858</u>	<u>14,691,978</u>	
Less: Accumulated depreciation	<u>9,312,578</u>	<u>8,947,919</u>	
Total	<u>\$ 5,809,280</u>	<u>\$ 5,744,059</u>	

Depreciation expense amounted to \$364,659 and \$350,955 for the years ended June 30, 2024 and 2023. Construction in progress at June 30, 2024 includes improvements at the Chancery building. Projects are expected to be completed in 2025.

Note 6 - Beneficial Interest in Charitable Trust

The Diocese receives income from two charitable trusts held by third parties; the Diocese is the sole beneficiary of the trusts. Under the terms of the trusts, the Diocese has the irrevocable right to receive annual distributions. The beneficial interest in the trusts at June 30, 2024 and 2023 of \$370,655 and \$246,606, respectively, was recorded at fair value, measured by the present value of estimated future distributions.

Note 7 - Net Assets With Donor Restrictions

Net assets with donor restrictions subject to expenditure for specified purposes or time restraints as of June 30, 2024 and 2023 are as follows:

	Net Assets	
	2024	2023
Saint Pius X Seminary/St. John Vianney	\$ 3,091,839	\$ 2,685,412
Villa St. Joseph	832,291	1,078,266
Diocese of Scranton Scholarship Foundation	319,193	284,581
Msgr. Paul F. Terracciano Tuition Trust Fund	-	6,544
Reverend Niebrzydowski Tuition Fund	-	10,815
Msgr. Jordan Tuition Fund	-	20,646
Edward A. Bambara Scholarship Fund	276,783	213,750
Christie D. Shull Fund	3,007,794	2,558,700
Campaign for Human Development Program	11,457	11,753
Beneficial interest in charitable trust	370,655	246,606
Restricted for program and educational expenditures	<u>253,500</u>	<u>296,843</u>
Total	<u>\$ 8,163,512</u>	<u>\$ 7,413,916</u>

Note 7 - Net Assets With Donor Restrictions - (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

	<u>Net Assets</u>	
	<u>2024</u>	<u>2023</u>
Diocesan Annual Appeal Program costs	\$ 3,899,848	\$ 4,095,004
Campaign for Human Development Program costs	11,753	12,646
National Collections - collections remitted	912,884	645,129
Beatrice M. Eck Endowment Fund Scholarship	284,570	86,829
Villa St. Joseph Capital improvements	418,651	463,448
Seminary/St. John Vianney Fund improvements	122,003	25,257
Diocese of Scranton Scholarship Foundation Scholarships and program costs	<u>727,039</u>	<u>585,593</u>
Total restrictions released	<u>\$ 6,376,748</u>	<u>\$ 5,913,906</u>

Net assets with donor restrictions not subject to appropriation or expenditure as of June 30, 2024 and 2023 are as follows:

	<u>Net Assets</u>	
	<u>2024</u>	<u>2023</u>
<u>Endowment Funds</u>		
<u>Reverend Charles J. O'Donnell Scholarship Fund</u> The income derived from invested funds is to be distributed for Mass stipends and seminarian training. Any remaining income is to be reinvested and become part of the principal.	\$ 106,365	\$ 106,365
<u>Msgr. Paul F. Terracciano Tuition Trust Fund</u> The income derived from invested funds is to be distributed for tuition to students attending Diocesan schools. Fund transferred to Schools.	-	45,000
<u>Beatrice M. Eck Endowment Fund</u> 85% of the income derived from invested funds is to be distributed for Catholic education in Lycoming County.	2,783,396	2,770,989
<u>Fanucci Trust Fund</u> The income derived from invested funds is to be distributed for Priest educational or career development including continuing education or Priestly formation.	<u>212,817</u>	<u>212,817</u>
Total	<u>\$ 3,102,578</u>	<u>\$ 3,135,171</u>

Note 8 - Contributions Payable

Contributions payable amounted to \$614,377 and \$812,916 at June 30, 2024 and 2023, respectively. The balance of the payable at June 30, 2024 will be paid out within the next fiscal year.

Note 9 - Retirement Plans

Priests' Pension Plan

There is a defined benefit pension plan in effect for all incardinated priests in good standing or priests in good standing permanently assigned to the Diocese. The entire cost of the Plan is paid by the parish or institution to which each eligible priest is assigned. The Plan is administered by the Bishop with advisory and consulting services available to him from a Retirement Board.

The Diocesan funding policy is to contribute annually amounts determined by actuarial estimates. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

Lay Employee Pension Plan

There is a defined benefit pension plan for the lay employees of the Diocesan Administrative Offices. Prior to June 30, 2009, the cost of the Plan was paid jointly by the Diocesan offices and the employees. The employee contribution was 3% of base salary each year and the employer contribution rate was 7%. In May, 2008, the decision was made to freeze the pension plan as of June 30, 2009. After that date, no further benefits will accrue in the plan.

Postretirement Medical Benefits

The Diocese provides certain health care benefits for all retired priests. The Diocese's share of the estimated costs of benefits that will be paid after retirement is generally being accrued by charges to expense over the priests' service periods to the dates they are fully eligible for benefits.

	<u>Pension Benefits</u>		<u>Postretirement Medical Benefits</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Obligations and funded status at June 30:				
Fair value of plan assets	\$ 15,447,450	\$ 14,361,433	\$ -	\$ -
Projected benefit obligations	<u>18,544,156</u>	<u>19,223,457</u>	<u>6,991,662</u>	<u>6,911,279</u>
Funded status at end of years	<u>\$ (3,096,706)</u>	<u>\$ (4,862,024)</u>	<u>\$ (6,991,662)</u>	<u>\$ (6,911,279)</u>
Amounts recognized in the Statements of Financial Position consist of:				
Liability for benefits	<u>\$ (3,096,706)</u>	<u>\$ (4,862,024)</u>	<u>\$ (6,991,662)</u>	<u>\$ (6,911,279)</u>
Net amount recognized	<u>\$ (3,096,706)</u>	<u>\$ (4,862,024)</u>	<u>\$ (6,991,662)</u>	<u>\$ (6,911,279)</u>

Note 9 - Retirement Plans - (Continued)

The accumulated benefit obligation for both defined benefit pension plans was \$18,544,156 and \$19,223,457 at June 30, 2024 and 2023, respectively. Both plans had accumulated benefit obligations in excess of plan assets at June 30, 2024 and 2023.

Other Changes and Plan Assets and Benefit Obligations Recognized in Pension-related Changes Other Than Net Periodic Pension Cost:

	Pension Benefits		Postretirement Medical Benefits	
	2024	2023	2024	2023
Net (gain) loss	\$ (1,589,092)	\$ (1,452,417)	\$ 517,955	\$ 418,705
Prior service cost	(85,414)	24,071	-	-
Plan amendment	-	1,094,854	-	-
Change in assumptions	-	(721,134)	59,308	(1,287,247)
	<u>(1,674,506)</u>	<u>(1,054,626)</u>	<u>577,263</u>	<u>(868,542)</u>
Net periodic benefit cost	<u>509,188</u>	<u>574,311</u>	<u>(101,588)</u>	<u>39,233</u>
Total	<u>\$ (1,165,318)</u>	<u>\$ (480,315)</u>	<u>\$ 475,675</u>	<u>\$ (829,309)</u>

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from net assets into net periodic benefit cost over the next fiscal year are \$218,166 and \$337,213, respectively. The estimated net gain for the other defined benefit postretirement plan that will be amortized from net assets into net periodic benefit cost over the next fiscal year is \$459,425 and there is no prior service cost.

<u>Assumptions</u>	Pension Benefits		Postretirement Medical Benefits	
	2024	2023	2024	2023
Weighted-average assumptions used in computing ending obligations:				
Discount rate	5.25%	5.25%	5.25%	5.25%
Rate of compensation increase	N/A	N/A	N/A	N/A
Weighted-average assumptions used in computing net cost:				
Discount rate	5.25%	5.25%	5.25%	5.25%
Expected long-term return on plan assets	7.50%	7.50%	7.50%	7.50%
Rate of compensation increase	N/A	N/A	N/A	N/A

The expected long-term return on plan assets was determined using average historical returns of the Diocese's plan assets.

Note 9 - Retirement Plans - (Continued)

Assumed health care cost trend rates at June 30:

	<u>2024</u>	<u>2023</u>
Health care cost trend rate assumed for next year	5.50%	5.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.50%	5.50%
Year that the rate reaches the ultimate trend rate	2024	2023

Plan Assets

The assets of the Plans are deposited in separate Comerica Bank trust accounts for the Diocese of Scranton's lay and priest pension plans.

In determining fair value for pension plan assets, the Diocese uses various methods including market, income and cost approaches. The Diocese utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets carried at fair value will be classified and disclosed in one of the following three categories:

Level I – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level II – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level III – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level III valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Corporate bonds, U.S. Government and Agencies obligations, Mutual Funds and Money Markets: Valued at the closing price reported on the active market on which the individual securities are traded.

Note 9 - Retirement Plans - (Continued)

The following tables set forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2024 and 2023.

Assets:	June 30, 2024			
	Level I	Level II	Level III	Total
U.S. Obligations	\$ 1,279,901	\$ -	\$ -	\$ 1,279,901
Corporate bonds	1,060,399	-	-	1,060,399
Mutual Funds – Equity	11,000,290	-	-	11,000,290
Mutual Funds – Fixed	1,024,005	-	-	1,024,005
Money markets	1,082,855	-	-	1,082,855
	<u>\$ 15,447,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,447,450</u>

Assets:	June 30, 2023			
	Level I	Level II	Level III	Total
U.S. Obligations	\$ 776,903	\$ -	\$ -	\$ 776,903
Corporate bonds	756,650	-	-	756,650
Mutual Funds – Equity	10,533,579	-	-	10,533,579
Mutual Funds – Fixed	1,706,321	-	-	1,706,321
Money markets	587,980	-	-	587,980
	<u>\$ 14,361,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,361,433</u>

The Diocese’s pension plan weighted-average asset allocations at June 30, 2024 and 2023, by asset category, are as follows:

	Pension Benefits	
	2024	2023
Equity securities	71.21%	73.64%
Debt securities	21.78%	22.85%
Other	7.01%	3.51%
Total	<u>100.00%</u>	<u>100.00%</u>

The Diocese’s investment policies and strategies include:

- 1) The Diocese, in keeping with Canon Law and Catholic philosophy, excludes investments in companies whose products or performances are inconsistent with Catholic teaching.
- 2) Bonds must be rated “A” or better and maturities are limited to a maximum of ten years. Purchases of preferred stock are not permitted.
- 3) The asset allocation policy is 75% for equities and 25% for cash and fixed income.

Note 9 - Retirement Plans - (Continued)

Cash Flows

Contributions

Diocesan contributions:

	<u>Pension Benefits</u>	<u>Other Benefits</u>
2023 (actual)	\$ 620,000	\$ -
2024 (actual)	600,000	-
2025 (estimated)	-	-

There are no participant contributions after June 30, 2009.

Benefit Payments

Benefit payments:

	<u>Pension Benefits</u>	<u>Other Benefits</u>
2023	\$1,654,870	\$410,244
2024	1,767,965	395,322

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	<u>Pension Benefits</u>	<u>Other Benefits</u>
2025	\$ 1,873,156	\$ 418,798
2026	1,866,304	452,193
2027	1,814,686	468,489
2028	1,773,052	489,416
2029	1,689,164	493,258
Years 2030-2034	7,350,976	2,489,922

403(b) Plan

On July 1, 2009, the Diocese established a 403(b) Plan for employees. The Diocese contributes 2% of gross earnings to all employees and also matches employee deferral contributions up to 4%. For the years ended June 30, 2024 and 2023, the Diocese contributed \$153,474 and \$149,315 respectively, to the 403(b) Plan for the employees of the Administrative Offices.

Note 10 - Self-Insurance Program

General

Under the terms of the general insurance plan, individual claims above a specific amount (\$750,000 for property claims, \$250,000 for liability claims, and \$500,000 for workers compensation claims in 2024 and 2023) are insured with commercial insurance companies. Prior to July 1, 1993, an aggregate loss fund (\$1,250,000 for 1993) was also in place to limit claim expenses for the Diocese to that amount for the claim year. For the years ended June 30, 1994 and thereafter, the loss fund protection was eliminated to reduce excess commercial insurance premium expense.

Note 10 - Self-Insurance Program - (Continued)

Medical

As of July 1, 2005, the Diocese instituted a self-insurance medical plan. Under the terms of the plan, there is insurance coverage for individual claims exceeding \$250,000 with an unlimited maximum annual reimbursement.

Note 11 - Loan Payable

In December, 2004, the Diocese entered into a loan agreement with the Monroe County Industrial Development Authority (the Authority) to provide funding for a construction project at Notre Dame Junior Senior High School (the School). The Authority issued a revenue note in the amount of \$7,500,000 and subsequently sold the note to PNC Bank, NA. The proceeds were then loaned to the Diocese, and the Diocese agreed to pay all amounts due by the Authority under the note to the Bank. The note called for monthly payments of \$35,531, including principal and interest of 3.88%, until December, 2014, at which time the note was refinanced. The note was refinanced with the Authority in the amount of \$4,048,000 and was subsequently sold to FNCB Bank. The note calls for payments of \$22,539, including principal and interest of 3.00%, until January 2025. The Bank has a security interest in the property, and the Diocese is subject to various covenants; refer to the agreements for details. As disclosed in Note 1 to the financial statements, the School is an organization not reported on in these financial statements. Therefore, a loan receivable from the School has been recorded in the Statement of Financial Position in the same amount as the Loan Payable. The balance at June 30, 2024 and 2023 amounted to \$2,444,315 and \$2,637,031, respectively.

Note 12 - Diocesan Annual Appeal

The Diocesan Annual Appeal is a Diocesan program started as a means of supporting the charitable, educational and pastoral services of the Diocese. Campaigns for each of the years ended June 30, 2024 and 2023 had budget goals of \$4,500,000, which would be used to finance various Diocesan programs.

Based on the terms of the Appeal, each parish was assigned a "Parish Goal", which represented its portion of the overall Diocesan goal. Parishes shared in the success of the campaign to the extent that they received seventy-five percent of the funds which were raised in excess of their goal.

Funds raised by the 2023 Diocesan Annual Appeal totaled \$4,030,270. The Diocese returned to parishes \$164,911 representing seventy-five percent of the funds raised in excess of the individual parish goals for the 2023 campaign. Also, contributions receivable of \$38,120 were recorded at their net realizable value in connection with the 2023 campaign; these contributions were collected within one year.

Funds raised by the 2022 Diocesan Annual Appeal totaled \$4,245,866. The Diocese returned to parishes \$192,860 representing seventy-five percent of the funds raised in excess of the individual parish goals for the 2022 campaign. Also, contributions receivable of \$49,033 were recorded at their net realizable value in connection with the 2022 campaign; these contributions were collected within one year.

Note 12 - Diocesan Annual Appeal - (Continued)

Appeal contributions were committed to the following Diocesan programs and expenditures were made accordingly:

	2024		2023	
	Budgeted	Actual	Budgeted	Actual
Direct aid to schools and Religious Education Grants	\$ 810,000	\$ 701,973	\$ 810,000	\$ 737,373
Communication and Evangelization	810,000	701,973	810,000	737,373
Parish Faith Formation Grants	135,000	116,995	135,000	122,896
Social services	810,000	701,972	810,000	737,374
Clergy formation, education and Retirement	810,000	701,973	810,000	737,373
Parish Ministries	765,000	662,974	765,000	696,408
Campaign Cost	360,000	311,988	360,000	326,207
	<u>\$ 4,500,000</u>	<u>\$3,899,848</u>	<u>\$ 4,500,000</u>	<u>\$4,095,004</u>

Interest income earned on Appeal funds amounted to \$67,652 and \$49,596 for the years ended June 30, 2024 and 2023.

Note 13 - Contingencies

Related Party Loans

The Diocese was a co-borrower on the Catholic Social Services of the Diocese of Scranton Line of Credit Note with PNC Bank. The note was a \$700,000 line of credit and was refinanced with a loan in the amount of the outstanding balance from the Diocese of Scranton Institute in August, 2023.

Litigation

The Diocese has several claims and pending legal proceedings that generally involve personal liability and employment issues. In the opinion of management and outside legal counsel, such proceedings are substantially covered by insurance, and the ultimate disposition of such proceedings are not expected to have a material adverse effect on the Diocese's financial position, results of operations or cash flows.

The Pennsylvania General Assembly and Senate continue to debate a proposed constitutional amendment which would create a two-year retroactive window for survivors of childhood sexual abuse to file civil suits against their perpetrators and related institutional defendants. If this proposal were to become law, the Diocese of Scranton could face significant liability for otherwise time barred claims of historic childhood sexual abuse. It is the opinion of Diocesan management and outside legal counsel that some of these claims may have insurance coverage. However, the Diocese is unable to predict with certainty 1) whether the proposed legislation will become law, or 2) the result of window legislation on the Diocese's financial position and operations.

Note 13 - Contingencies - (Continued)

Employee Retention Credits

The Diocese filed amended quarterly payroll tax returns and recorded Employee Retention Tax Credits income in the amount of \$1,743,921 during the year ended June 30, 2023. Claims filed for the credits are subject to review and audit by regulatory agencies.

Note 14 - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Diocese uses various methods including market, income and cost approaches. Based on these approaches, the Diocese often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Diocese utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Diocese is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level I – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level II – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level III – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level III valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Corporate bonds, U.S. Government and Agencies obligations and Mutual Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Diocese 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.

Note 14 - Fair Value Measurements - (Continued)

The following tables set forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2024 and 2023.

Assets:	June 30, 2024			
	Level I	Level II	Level III	Total
U.S. Obligations	\$ 3,953,050	\$ -	\$ -	\$ 3,953,050
Corporate Bonds				
Aaa credit rating	-	12,635	-	12,635
Aa2 credit rating	-	95,030	-	95,030
Aa3 credit rating	-	118,807	-	118,807
A1 credit rating	-	573,870	-	573,870
A2 credit rating	-	186,887	-	186,887
A3 credit rating	-	587,933	-	587,933
Baa1 credit rating	-	533,222	-	533,222
Baa2 credit rating	-	833,612	-	833,612
Baa3 credit rating	-	196,955	-	196,955
Ba1 credit rating	-	53,891	-	53,891
Total Corporate Bonds	-	3,192,842	-	3,192,842
Mutual Funds – Fixed	1,999,081	-	-	1,999,081
Mutual Funds – Equity	11,670,798	-	-	11,670,798
	<u>\$ 17,622,929</u>	<u>\$ 3,192,842</u>	<u>\$ -</u>	<u>\$ 20,815,771</u>

Assets:	June 30, 2023			
	Level I	Level II	Level III	Total
U.S. Obligations	\$ 2,500,386	\$ -	\$ -	\$ 2,500,386
Corporate Bonds				
Aaa credit rating	-	12,633	-	12,633
Aa2 credit rating	-	67,440	-	67,440
Aa3 credit rating	-	37,801	-	37,801
A1 credit rating	-	449,173	-	449,173
A2 credit rating	-	185,345	-	185,345
A3 credit rating	-	370,707	-	370,707
Baa1 credit rating	-	421,733	-	421,733
Baa2 credit rating	-	689,608	-	689,608
Baa3 credit rating	-	108,177	-	108,177
Ba1 credit rating	-	18,882	-	18,882
Total Corporate Bonds	-	2,361,499	-	2,361,499
Mutual Funds – Fixed	4,130,883	-	-	4,130,883
Mutual Funds – Equity	10,649,507	-	-	10,649,507
	<u>\$ 17,280,776</u>	<u>\$ 2,361,499</u>	<u>\$ -</u>	<u>\$ 19,642,275</u>

Note 15 - Endowments

The Diocese’s endowment funds consist of approximately 9 individual funds established primarily for student scholarships that are donor-restricted funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition by type of fund as of June 30, 2024 and 2023 is as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment Funds	\$ -	\$ 6,569,627	\$ 6,569,627
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment Funds	\$ -	\$ 6,141,882	\$ 6,141,882

Changes in Endowment Net Assets for the years ended June 30, 2024 and 2023, are as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 6,141,882	\$ 6,141,882
Investment return:			
Investment income	-	439,741	439,741
Realized and unrealized gains	-	390,052	390,052
Total investment return	-	829,793	829,793
Contributions	-	527,559	527,559
Appropriation of endowment assets for expenditure	-	(929,607)	(929,607)
Endowment net assets, end of year	\$ -	\$ 6,569,627	\$ 6,569,627

Note 15 - Endowments - (Continued)

	2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 5,898,107	\$ 5,898,107
Investment return:			
Investment income	-	147,580	147,580
Realized and unrealized gains	-	125,595	125,595
Total investment return	-	273,175	273,175
Contributions	-	624,949	624,949
Appropriation of endowment assets for expenditure	-	(654,349)	(654,349)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 6,141,882</u>	<u>\$ 6,141,882</u>

The Diocese has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Note 16 - Functional Expenses

Expenses by functional classification for the years ended June 30, 2024 and 2023, respectively, consist of the following:

	2024					
	<u>Pastoral Expenses</u>	<u>Community and Educational Expenses</u>	<u>Self-Insurance Program Expenses</u>	<u>Total Program</u>	<u>General & Administrative</u>	<u>Total</u>
Salaries and benefits	\$2,798,360	\$ 906,279	\$ -	\$ 3,704,639	\$ 1,897,835	\$ 5,602,474
Clergy support	1,097,915	-	-	1,097,915	-	1,097,915
Grants and contributions	-	10,047,390	-	10,047,390	912,884	10,960,274
Supplies and program	1,341,200	663,753	-	2,004,953	381,095	2,386,048
Occupancy	284,079	220,164	-	504,243	164,884	669,127
Legal and professional fees	428,062	112,579	2,544	543,185	305,241	848,426
Insurance premiums & claims	-	-	14,475,589	14,475,589	-	14,475,589
Depreciation	241,564	92,180	-	333,744	30,915	364,659
Total	<u>\$6,191,180</u>	<u>\$12,042,345</u>	<u>\$ 14,478,133</u>	<u>\$ 32,711,658</u>	<u>\$ 3,692,854</u>	<u>\$36,404,512</u>

	2023					
	<u>Pastoral Expenses</u>	<u>Community and Educational Expenses</u>	<u>Self-Insurance Program Expenses</u>	<u>Total Program</u>	<u>General & Administrative</u>	<u>Total</u>
Salaries and benefits	\$2,964,794	\$ 884,207	\$ -	\$ 3,849,001	\$ 1,850,552	\$ 5,699,553
Clergy support	1,298,424	-	-	1,298,424	-	1,298,424
Grants and contributions	-	9,176,110	-	9,176,110	645,129	9,821,239
Supplies and program	1,196,573	431,753	-	1,628,326	436,561	2,064,887
Occupancy	259,003	212,449	-	471,452	176,715	648,167
Legal and professional fees	350,577	128,285	91,835	570,697	704,005	1,274,702
Insurance premiums & claims	-	-	13,660,350	13,660,350	-	13,660,350
Depreciation	246,885	69,371	-	316,256	34,699	350,955
Total	<u>\$6,316,256</u>	<u>\$10,902,175</u>	<u>\$ 13,752,185</u>	<u>\$ 30,970,616</u>	<u>\$ 3,847,661</u>	<u>\$34,818,277</u>

SUPPLEMENTARY INFORMATION

DIOCESAN ADMINISTRATIVE OFFICES

SCHEDULE 1

OF THE DIOCESE OF SCRANTON

SCHEDULE OF PROGRAM REVENUES

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Parish Ministry	\$ 143,420	\$ 126,692
The Catholic Light	70,626	75,557
Communications Office	46,892	53,068
Matrimonial Tribunal	5,940	2,347
Catholic Schools Office	3,952	140
Pastoral Center	3,070	300
	<u>\$ 273,900</u>	<u>\$ 258,104</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE 2

SCHEDULE OF PASTORAL EXPENSES

YEARS ENDED JUNE 30, 2024 AND 2023

	Matrimonial Tribunal		Parish Ministry		Communications Office		The Catholic Light	
	2024	2023	2024	2023	2024	2023	2024	2023
Salaries and benefits:								
Compensation - clergy and religious	\$ 27,646	\$ 26,968	\$ 17,936	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Benefits - clergy and religious	10,317	7,624	600	350	-	-	-	-
Salaries and wages - lay persons	42,071	72,107	424,888	474,016	226,034	216,675	147,080	140,885
Benefits - lay persons	28,000	42,604	108,949	140,683	57,274	51,087	55,263	67,369
Total salaries and benefits	<u>108,034</u>	<u>149,303</u>	<u>552,373</u>	<u>625,049</u>	<u>283,308</u>	<u>267,762</u>	<u>202,343</u>	<u>208,254</u>
Supplies, office and program expense	4,282	3,929	311,567	192,756	3,819	13,240	3,117	2,950
Telephone, postage and printing	6,507	5,876	10,148	8,755	1,666	1,825	124,142	119,438
Conferences, meetings and travel	6,021	5,621	27,348	24,243	5,071	5,176	104	-
Legal and professional fees	11,032	15,539	275	-	24,732	23,855	36,237	33,876
Advertising	-	-	-	-	-	-	-	-
Publishing	-	-	-	-	-	-	60,919	84,452
Dues and subscriptions	2,526	1,458	7,780	7,038	4,330	4,435	3,416	1,930
Insurance	779	721	-	721	10,496	10,496	5,948	4,786
Building occupancy and maintenance expense	-	-	-	-	1,226	1,226	-	-
Depreciation expense	-	-	1,831	4,423	6,191	5,497	2,782	2,862
Utilities	-	-	-	-	2,326	1,592	-	-
Priests' medical expense	-	-	-	-	-	-	-	-
Clergy medical assistance and maintenance	-	-	-	-	-	-	-	-
Seminary and clergy education	-	-	-	-	-	-	-	-
Pennsylvania Catholic Conference dues	-	-	-	-	-	-	-	-
United States Catholic Conference dues	-	-	-	-	-	-	-	-
Other dues	-	-	-	-	-	-	-	-
	<u>\$ 139,181</u>	<u>\$ 182,447</u>	<u>\$ 911,322</u>	<u>\$ 862,985</u>	<u>\$ 343,165</u>	<u>\$ 335,104</u>	<u>\$ 439,008</u>	<u>\$ 458,548</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE 2

SCHEDULE OF PASTORAL EXPENSES - CONTINUED

YEARS ENDED JUNE 30, 2024 AND 2023

	Vicar for Priests		Episcopal Vicars		Clergy and Religious	
	2024	2023	2024	2023	2024	2023
Salaries and benefits:						
Compensation - clergy and religious	\$ 103,229	\$ 99,320	\$ 40,829	\$ 40,000	\$ 132,640	\$ 254,047
Benefits - clergy and religious	39,017	37,461	1,000	1,000	412,675	455,627
Salaries and wages - lay persons	117,087	112,769	-	-	-	-
Benefits - lay persons	22,165	21,071	-	-	-	-
Total salaries and benefits	<u>281,498</u>	<u>270,621</u>	<u>41,829</u>	<u>41,000</u>	<u>545,315</u>	<u>709,674</u>
Supplies, office and program expense	7,486	7,230	-	-	114,289	109,141
Telephone, postage and printing	7,323	6,187	630	649	1,576	531
Conferences, meetings and travel	8,891	10,839	698	910	11,526	12,692
Legal and professional fees	-	-	-	-	78,638	104,305
Advertising	-	-	-	-	-	-
Publishing	-	-	-	-	-	-
Dues and subscriptions	570	109	-	-	-	-
Insurance	1,558	1,441	-	-	4,452	4,068
Building occupancy and maintenance expense	-	-	-	-	57,271	58,458
Depreciation expense	783	1,160	-	-	2,952	2,952
Utilities	-	-	-	-	-	-
Priests' medical expense	-	-	-	-	618,743	632,201
Clergy medical assistance and maintenance	-	-	-	-	69,913	322,579
Seminary and clergy education	-	-	-	-	409,259	343,644
Pennsylvania Catholic Conference dues	-	-	-	-	-	-
United States Catholic Conference dues	-	-	-	-	-	-
Other dues	-	-	-	-	-	-
	<u>\$ 308,109</u>	<u>\$ 297,587</u>	<u>\$ 43,157</u>	<u>\$ 42,559</u>	<u>\$ 1,913,934</u>	<u>\$ 2,300,245</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE OF PASTORAL EXPENSES - CONTINUED

YEARS ENDED JUNE 30, 2024 AND 2023

SCHEDULE 2

	Diocesan Annual Appeal		Diocesan Properties				Other Programs		Total	
			Facility Operating Costs		Pastoral Center				Pastoral Expenses	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Salaries and benefits:										
Compensation - clergy and religious	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,467	\$ 100,000	\$ 462,747	\$ 530,335
Benefits - clergy and religious	-	-	-	-	-	-	52,985	23,180	516,594	525,242
Salaries and wages - lay persons	327,624	380,297	-	-	33,301	-	70,933	48,203	1,389,018	1,444,952
Benefits - lay persons	117,413	112,104	-	-	10,425	-	30,512	29,347	430,001	464,265
Total salaries and benefits	<u>445,037</u>	<u>492,401</u>	<u>-</u>	<u>-</u>	<u>43,726</u>	<u>-</u>	<u>294,897</u>	<u>200,730</u>	<u>2,798,360</u>	<u>2,964,794</u>
Supplies, office and program expense	61,716	62,295	-	-	23,541	10,425	121,908	93,697	651,725	495,663
Telephone, postage and printing	56,947	62,024	-	-	6,157	5,271	2,827	2,145	217,923	212,701
Conferences, meetings and travel	5,077	6,159	-	-	340	460	8,770	7,619	73,846	73,719
Legal and professional fees	245,806	163,118	-	-	-	-	31,342	9,884	428,062	350,577
Advertising	-	-	-	-	-	-	8,185	3,156	8,185	3,156
Publishing	-	-	-	-	-	-	-	-	60,919	84,452
Dues and subscriptions	3,500	5,378	-	-	-	-	1,093	1,261	23,215	21,609
Insurance	1,558	1,442	75,127	61,379	-	-	779	721	100,697	85,775
Building occupancy and maintenance expens	-	-	122,559	111,952	-	-	-	-	181,056	171,636
Depreciation expense	283	283	226,010	229,708	-	-	732	-	241,564	246,885
Utilities	-	-	-	-	-	-	-	-	2,326	1,592
Priests' medical expense	-	-	-	-	-	-	-	-	618,743	632,201
Clergy medical assistance and maintenance	-	-	-	-	-	-	-	-	69,913	322,579
Seminary and clergy education	-	-	-	-	-	-	-	-	409,259	343,644
Pennsylvania Catholic Conference dues	-	-	-	-	-	-	173,213	173,073	173,213	173,073
United States Catholic Conference dues	-	-	-	-	-	-	66,082	66,100	66,082	66,100
Other dues	-	-	-	-	-	-	66,092	66,100	66,092	66,100
	<u>\$ 819,924</u>	<u>\$ 793,100</u>	<u>\$ 423,696</u>	<u>\$ 403,039</u>	<u>\$ 73,764</u>	<u>\$ 16,156</u>	<u>\$ 775,920</u>	<u>\$ 624,486</u>	<u>\$ 6,191,180</u>	<u>\$ 6,316,256</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE 3

SCHEDULE OF EDUCATIONAL EXPENSES

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Catholic Schools Office</u>		<u>Educational Grants</u>		<u>Total Educational Expenses</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Salaries and benefits:						
Compensation - clergy and religious	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits - clergy and religious	-	-	-	-	-	-
Salaries and wages - lay persons	429,605	363,325	-	-	429,605	363,325
Benefits - lay persons	158,450	155,773	-	-	158,450	155,773
Total salaries and benefits	<u>588,055</u>	<u>519,098</u>	-	-	<u>588,055</u>	<u>519,098</u>
Supplies, office and program expense	26,988	36,796	-	-	26,988	36,796
Telephone, postage and printing	4,639	2,664	-	-	4,639	2,664
Conferences, meetings and travel	18,578	15,741	-	-	18,578	15,741
Legal and professional fees	112,579	128,285	-	-	112,579	128,285
Advertising	21,926	19,259	-	-	21,926	19,259
Dues and subscriptions	4,923	2,649	-	-	4,923	2,649
Depreciation expense	348	668	-	-	348	668
Contributions and program grants	15,209	10,298	116,995	122,896	132,204	133,194
Educational grants:						
Diocesan Catholic Schools	-	-	8,564,738	7,902,556	8,564,738	7,902,556
Catholic University of America	-	-	18,750	18,750	18,750	18,750
Insurance	-	721	-	-	-	721
	<u>\$ 793,245</u>	<u>\$ 736,179</u>	<u>\$ 8,700,483</u>	<u>\$ 8,044,202</u>	<u>\$ 9,493,728</u>	<u>\$ 8,780,381</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE 4

SCHEDULE OF COMMUNITY AND SOCIAL SERVICE EXPENSES

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Villa St. Joseph</u>		<u>Social Service Grants</u>		<u>Propagation of the Faith</u>		<u>Total Community and Social Service Expenses</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Salaries and benefits:								
Compensation - clergy and religious	\$ 17,646	\$ 16,968	\$ -	\$ -	\$ -	\$ 6,667	\$ 17,646	\$ 23,635
Benefits - clergy and religious	9,817	9,428	-	-	250	6,310	10,067	15,738
Salaries and wages - lay persons	191,874	215,749	-	-	15,423	4,000	207,297	219,749
Benefits - lay persons	80,779	105,872	-	-	2,435	115	83,214	105,987
Total salaries and benefits	<u>300,116</u>	<u>348,017</u>	<u>-</u>	<u>-</u>	<u>18,108</u>	<u>17,092</u>	<u>318,224</u>	<u>365,109</u>
Supplies, office and program expense	31,602	32,246	-	-	247,005	48,141	278,607	80,387
Telephone, postage and printing	5,091	4,967	-	-	41	10	5,132	4,977
Dues and subscriptions	540	399	-	-	-	-	540	399
Food service	300,783	264,099	-	-	-	-	300,783	264,099
Utilities	85,794	92,071	-	-	-	-	85,794	92,071
Building occupancy and maintenance	92,368	80,820	-	-	-	-	92,368	80,820
Depreciation expense	91,832	68,703	-	-	-	-	91,832	68,703
Insurance	42,002	38,837	-	-	-	-	42,002	38,837
Conferences, meetings and travel	814	2,184	-	-	83	-	897	2,184
Legal and professional fees	-	-	-	-	-	-	-	-
Advertising	740	2,598	-	-	-	-	740	2,598
Social Service Grants:								
Catholic Social Services	-	-	632,977	665,478	-	-	632,977	665,478
Saint Peter's Cathedral	-	-	162,000	162,000	-	-	162,000	162,000
United Way Campaigns	-	-	25,000	25,000	-	-	25,000	25,000
Commissions for Catholic Missions	-	-	18,750	18,750	-	-	18,750	18,750
Contributions	-	-	360,320	177,565	132,651	72,817	492,971	250,382
	<u>\$ 951,682</u>	<u>\$ 934,941</u>	<u>\$ 1,199,047</u>	<u>\$ 1,048,793</u>	<u>\$ 397,888</u>	<u>\$ 138,060</u>	<u>\$ 2,548,617</u>	<u>\$ 2,121,794</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE 5

SCHEDULE OF ADMINISTRATIVE EXPENSES

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Chancery Office</u>		<u>Finance Office</u>		<u>Self-Insurance Program - General</u>		<u>Self-Insurance Program - Medical</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Salaries and benefits:								
Compensation - clergy and religious	\$ 84,204	\$ 80,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits - clergy and religious	19,383	18,606	-	-	-	-	-	-
Salaries and wages - lay persons	197,769	184,893	466,719	445,894	-	-	-	-
Benefits - lay persons	76,647	82,286	144,430	141,405	-	-	-	-
Total salaries and benefits	<u>378,003</u>	<u>366,749</u>	<u>611,149</u>	<u>587,299</u>	-	-	-	-
Supplies, office and program expense	80,616	90,868	40,709	45,255	-	-	-	-
Telephone, postage and printing	20,152	23,944	5,346	7,004	-	-	-	-
Conferences, meetings and travel	23,107	27,618	7,366	8,248	-	-	-	-
Legal and professional fees	126,890	228,403	97,436	387,888	2,544	91,835	-	-
Advertising	2,200	900	-	-	-	-	-	-
Dues and subscriptions	2,991	4,499	1,591	895	-	-	-	-
Depreciation expense	4,969	10,051	285	285	-	-	-	-
Self-insurance premiums	-	-	-	-	2,353,543	2,135,096	137,853	157,252
Claims expense	-	-	-	-	1,727,341	1,499,723	8,430,913	8,168,528
Administrative fees	-	-	-	-	108,546	69,666	1,717,393	1,630,085
Occupancy expense	-	-	-	-	-	-	-	-
Repairs and maintenance expense	-	-	-	-	-	-	-	-
Insurance	2,965	10,448	779	721	-	-	-	-
	<u>\$ 641,893</u>	<u>\$ 763,480</u>	<u>\$ 764,661</u>	<u>\$ 1,037,595</u>	<u>\$ 4,191,974</u>	<u>\$ 3,796,320</u>	<u>\$ 10,286,159</u>	<u>\$ 9,955,865</u>

The accompanying Notes are an integral part of these Financial Statements.

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE 5

SCHEDULE OF ADMINISTRATIVE EXPENSES - CONTINUED

YEARS ENDED JUNE 30, 2024 AND 2023

	Facilities Manager		Other Administrative Expenses		Total Administrative Expenses	
	2024	2023	2024	2023	2024	2023
Salaries and benefits:						
Compensation - clergy and religious	\$ -	\$ -	\$ -	\$ -	\$ 84,204	\$ 80,964
Benefits - clergy and religious	-	-	-	-	19,383	18,606
Salaries and wages - lay persons	163,644	160,103	531,050	517,924	1,359,182	1,308,814
Benefits - lay persons	44,681	47,070	169,308	171,407	435,066	442,168
Total salaries and benefits	<u>208,325</u>	<u>207,173</u>	<u>700,358</u>	<u>689,331</u>	<u>1,897,835</u>	<u>1,850,552</u>
Supplies, office and program expense	157	14	64,923	50,481	186,405	186,618
Telephone, postage and printing	3	913	9,363	8,951	34,864	40,812
Conferences, meetings and travel	1,180	1,360	6,003	4,988	37,656	42,214
Legal and professional fees	48,000	48,275	32,915	39,439	307,785	795,840
Advertising	-	-	6,335	21,945	8,535	22,845
Dues and subscriptions	-	-	4,868	3,943	9,450	9,337
Depreciation expense	229	229	25,432	24,134	30,915	34,699
Self-insurance premiums	-	-	-	-	2,491,396	2,292,348
Claims expense	-	-	-	-	10,158,254	9,668,251
Administrative fees	-	-	-	-	1,825,939	1,699,751
Occupancy expense	-	-	116,388	126,509	116,388	126,509
Repairs and maintenance expense	-	-	41,114	35,669	41,114	35,669
Insurance	-	-	3,638	3,368	7,382	14,537
	<u>\$ 257,894</u>	<u>\$ 257,964</u>	<u>\$ 1,011,337</u>	<u>\$ 1,008,758</u>	<u>\$ 17,153,918</u>	<u>\$ 16,819,982</u>

The accompanying Notes are an integral part of these Financial Statements.