

FINANCIAL REPORT

Diocese of Scranton Fiscal Year 2024-2025



Dear Sisters and Brothers in Christ,

"Now it is of course required of stewards that they be found trustworthy." (1 Corinthians 4:2)

With the Church having just concluded the Jubilee Year of Hope, we give thanks for the leadership of Pope Leo XIV, who has spoken often about unity, authentic co-responsibility among the People of God, and transparency in the administration of the Church's goods.

Our Holy Father has reminded us that the resources of the Church are never ends in themselves, but instruments placed at the service of communion, mission, and charity. His words challenge us to be faithful stewards - together.

In this regard, I present to you the audited financial statements of the Administrative Offices of the Diocese of Scranton for the 2024-2025 Fiscal Year. These statements, prepared in accordance with generally accepted accounting principles and reviewed by independent auditors, reflect our ongoing commitment to accountability, integrity, and clarity in all that we do.

Every assessment from our parishes, every contribution to the Catholic Ministries Appeal, every bequest and gift entrusted to the Church supports ministries that form disciples, educate our children, care for our retired priests, spread the Good News of the Gospel, and serve those most in need across the eleven counties of northeastern and north central Pennsylvania.

This past year, we have continued to advance important initiatives that shape the future of our local Church, including:

- **Catholic Foundation for the Diocese of Scranton:** We have continued to strengthen and promote our Catholic Foundation, dedicated to sustaining the pastoral, educational, and charitable ministries of our Diocese through endowments, planned gifts, and other charitable contributions. By honoring donor intent and embracing responsible Catholic investing, the Foundation will help ensure the long-term vitality of our local Church for generations.
- **Vision 2030 Pastoral Planning Process:** Throughout 2025, we continued to look proactively at the realities of our local church and implemented modifications to meet future needs, including three parish consolidations, five linkages (including one with three parishes), and the appointment of a new Parish Life Coordinator.
- **Catholic Schools Strategic Growth Plan:** During 2025, we continued implementing our Strategic Growth Plan entitled, "Our Faith. Our Students. Our Future." We have been working hard to achieve a balanced budget through a new sustainable tuition model and expanded participation in scholarship programs. We also began investing millions of dollars in our school facilities - strengthening both the mission and long-term stability of Catholic education.

Co-responsibility means that the mission of the Church belongs to all of us. Transparency means that we openly account for how the resources entrusted to us are managed. Unity means that we move forward together - with trust in God and trust in one another.

I am deeply grateful for your continued generosity and for the sacrifices you make to sustain the life of our Diocese. Please be assured that I, along with our diocesan leadership team, remain committed to prudent financial management, thoughtful planning, and faithful stewardship of all that has been entrusted to us.

As you review this report, I invite you to see not simply numbers on a page, but a reflection of a Church alive in faith - serving, teaching, evangelizing, and caring in the name of Christ.

May God bless you abundantly for your goodness and strengthen us in our shared mission.

Faithfully yours in Christ,

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



The financial information contained on the following pages is derived from the audited financial statements of the Administrative Offices of the Diocese of Scranton as of June 30, 2025 and 2024. The full report is available under the "Financial Services" page at dioceseofscranton.org

CATHOLIC COMMUNITY AT A GLANCE

STATISTICS REFLECT THE 2025 CALENDAR YEAR

TOTAL POPULATION
1,112,166
CATHOLIC POPULATION
290,500



1
BISHOP

1
RETIRED BISHOP

75
PRIESTS ASSIGNED IN
THE DIOCESE

5
PRIESTS ASSIGNED
OUTSIDE DIOCESE

91
RETIRED OR ILL
PRIESTS

171
TOTAL NUMBER OF
DIOCESAN PRIESTS



23
INTERNATIONAL PRIESTS
SERVING IN THE DIOCESE

51
RELIGIOUS ORDER
PRIESTS

2
RELIGIOUS ORDER
BROTHERS

305
RELIGIOUS ORDER
SISTERS

105
PERMANENT
DEACONS

12
SEMINARIANS



2,229
BAPTISMS

1,801
FIRST COMMUNIONS

1,711
CONFIRMATIONS

3,319
FUNERAL SERVICES

405
MARRIAGES
336 CATHOLIC
69 INTERFAITH

103
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 continues to be my privilege to present the 2024-2025 audited financial report for the Diocese of Scranton Administrative Offices. This report provides an overview of our prudent use of funds that have been received from our faithful for the period covering July 1, 2024 to June 30, 2025.

I want to express my sincere gratitude to the faithful who continue to support the mission of the Church. We are committed to ongoing transparency and the wise use of the financial gifts entrusted to us by our parishioners, donors and supporters. Our mission of serving the community, serving Catholic ministries and sustaining the work of the Diocese of Scranton in spreading the Good News of Jesus Christ is only possible with this support. It is imperative we are committed to careful and intentional stewardship, integrity, and transparency of these resources in all that we do.

I would like to share some highlights in both revenue and expenses from the most recent 2024-2025 Fiscal Year:

- Due to ongoing stewardship commitment at the parish level, we continue to see an increase in assessment revenue to the Diocese of Scranton. Despite the consolidation of physical locations within the Diocese, we remain ever grateful for the continued support of the Church as a whole. Catholic school assessments also grew, in line with parish stewardship, as well. These assessments are passed directly to the Catholic School System once received.

- The Diocese continued to experience increases in our self-insurance premiums. This increase is due to the inflationary, ever-increasing cost of claims and premium increases being passed along by our carriers.

- The Catholic Ministries Appeal remained strong at \$3.8 million due to the generosity of the faithful. These funds are used in accordance with its case statement, including Seminarian Education, Catholic Education, Care for Retired Clergy, Catholic Social Services, Catholic Communications, Social Justice and Faith Formation Grants, and Parish Life initiatives. We remain grateful for this strong support for these ministries.

- Donations and Bequests remain stable, even while decreasing from the prior year. There were some large bequests in the prior year which did not replicate at the same level in the current year.

- National Collections remain strong. These funds are used to support various national ministries that are supported through our national office.

- Scholarship Foundation Contributions grew from \$527,559 last year to \$626,414

this fiscal year. We are very grateful for the individuals and businesses who continue to support Catholic education through the Pennsylvania EITC Program.

- Investment Income and Gains from Sale of Investments was \$1.6 million, up \$672,000 from approximately \$1 million the prior year. This was due to favorable equity markets which continued to provide strong returns for another year.

- A significant increase in our administrative costs was due to the increased cost of both our medical self-insurance plan and our liability self-insurance program. These two programs experienced an increase of \$1.6 million collectively, or an 11% increase, from the prior year. These cost drivers include increased cost of claims (rising healthcare and property replacement costs), higher excess carrier premiums and higher administrative costs.

- Other changes include a Bad Debt Expense from the Catholic School System, which was unable to remain current on their medical premiums. This resulted in a \$3.4 million reserve in the current fiscal year as compared to \$2.4 million in the prior year. The Catholic School System implemented a Strategic Growth Plan in 2025 which includes a break even budget for Fiscal 2025-2026. We are optimistic the Catholic School System will be able to stay current on premiums in the future.

- The Diocese received a \$5 million reduction of a Related Party Payable on its Loan Payable Due to the Diocese of Scranton Institute. The Diocese also benefited from positive investment market conditions, offset by rising interest rates, which provides a Pension Related Credit of \$507,000 this year, compared to a \$186,577 in the prior year. Unrealized gains were \$1.4 million in the current year compared to \$2.2 million in the prior year. Both years had net unrealized gains from the strong equity markets.

I invite you to view the complete audited financial statement for the 2024-2025 Fiscal Year on the Diocese of Scranton website at dioceseofscranton.org/directory/offices/financial-services.

Please know the Diocesan Finance Office works tirelessly to control costs and find new ways to be more efficient with its resources. That work is constantly ongoing while we continue to invest in evangelization, clergy formation and Hispanic ministry programs.

Faithfully yours in Christ,

Eileen Giombetti

Eileen Giombetti

Diocese of Scranton Chief Financial Officer



IMPACTING FAMILIES AND CHILDREN

Catholic Social Services Responded Compassionately to the Needs of Individuals & Families in 2025

122,079

Meals served at Saint Vincent de Paul Kitchen in Wilkes-Barre



28,864

Households served through area food pantries

9,434 in Scranton
5,510 in Hazleton

11,003 in Carbondale
2,917 in Wilkes-Barre



20,584

Individuals assisted with clothing

8,848 in Scranton
7,180 in Carbondale
3,678 in Wilkes-Barre
878 via Mobile Clothing Trailer

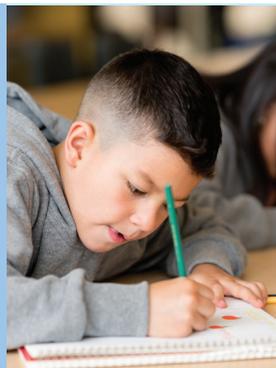


5,312

Children provided gifts at Christmas through the annual 'Gifts for Kids' Program

1,178

Families receiving assistance through Children & Youth Truancy Programs



12,573

Nights of shelter provided through emergency shelters

4,400 at Saint Anthony's Haven in Scranton
4,319 at Mother Teresa's Haven in Wilkes-Barre
3,854 at Divine Providence in Hazleton



24,450

Meals served in parishes through St. Francis Kitchen Outreach Program

7,350 in Olyphant 10,890 in Carbondale
3,450 in Elmhurst 2,760 in Archbald



8 women & 3 babies

Provided housing at Shepherd's Maternity House in Monroe County

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024



Certified Public Accountants
and Consultants

www.mmq.com

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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, 2025 and 2024, 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, 2025 and 2024, 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, 2025

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and equivalents	\$ 14,534,213	\$ 18,127,400
Accounts receivable, less allowance for credit losses of \$11,386,667 in 2025 and \$8,013,913 in 2024	1,708,098	1,181,805
Accrued interest receivable	96,094	106,610
Contributions receivable	435,569	440,998
Prepaid expense	402,665	298,173
Cash subject to program restrictions	2,726,119	2,232,010
Notes and loans receivable	-	2,444,315
Investments	22,376,016	20,815,771
Land, buildings and equipment, net	5,498,952	5,809,280
Other assets	756,536	512,230
Due from Catholic Cemeteries	8,709	-
Beneficial interest in charitable trust	380,584	370,655
	<u> </u>	<u> </u>
Total assets	<u>\$ 48,923,555</u>	<u>\$ 52,339,247</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, 2025 AND 2024

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
Accounts payable	\$ 784,542	\$ 796,203
Custodial funds payable	19,798	86,606
Contributions payable	724,880	614,377
Scholarships payable	705,019	535,622
Liability for pension benefits	1,936,207	3,096,706
Accrued claim expense	2,088,720	1,456,514
Accrued postretirement benefit obligation	6,898,739	6,991,662
Deferred revenue	123,660	-
Loans payable	-	2,444,315
Due to Catholic Cemeteries	-	16,052
Due to Diocese of Scranton Institute	11,168,558	16,168,558
Total liabilities	<u>24,450,123</u>	<u>32,206,615</u>
Net assets		
Without donor restrictions	12,763,867	8,866,542
With donor restrictions	11,709,565	11,266,090
Total net assets	<u>24,473,432</u>	<u>20,132,632</u>
Total liabilities and net assets	<u>\$ 48,923,555</u>	<u>\$ 52,339,247</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, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Parish assessments						
Diocesan	\$ 4,155,396	\$ -	\$ 4,155,396	\$ 3,905,722	\$ -	\$ 3,905,722
Clergy Care and Wellness	967,152	-	967,152	960,012	-	960,012
Catholic Schools	7,396,248	-	7,396,248	6,974,069	-	6,974,069
Intra-Diocesan billings						
Self-insurance premiums - General	5,712,265	-	5,712,265	4,725,748	-	4,725,748
Self-insurance premiums - Medical	10,269,362	-	10,269,362	9,971,706	-	9,971,706
Clergy benefit programs	2,108,372	-	2,108,372	2,069,173	-	2,069,173
Diocesan Program Revenues - <u>Schedule 1</u>	210,500	-	210,500	273,900	-	273,900
Diocesan Annual Appeal	-	3,883,754	3,883,754	-	3,864,989	3,864,989
Special collections	-	28,837	28,837	-	26,374	26,374
Donations and bequests	241,373	246,391	487,764	596,763	210,364	807,127
Scholarship Foundation contributions	-	626,414	626,414	-	527,559	527,559
Custodial receipts						
National collections	-	626,361	626,361	-	912,884	912,884
Unemployment	208,093	-	208,093	287,424	-	287,424
Propagation collections	315,296	-	315,296	444,983	-	444,983
Other revenue	558,665	-	558,665	469,904	-	469,904
Investment income, net	786,104	482,481	1,268,585	377,380	847,056	1,224,436
Net realized gain (loss) on sale of investments	223,226	152,038	375,264	(172,952)	(79,182)	(252,134)
Net realized gain on sale of property	77,456	-	77,456	9,301	-	9,301
Net assets released from restrictions (Note 7):						
Satisfaction of program restrictions	6,274,165	(6,274,165)	-	6,376,748	(6,376,748)	-
 Total revenues, gains and other support	 \$ 39,503,673	 \$ (227,889)	 \$ 39,275,784	 \$ 37,269,881	 \$ (66,704)	 \$ 37,203,177

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, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Total revenues, gains and other support - carried forward	\$ 39,503,673	\$ (227,889)	\$ 39,275,784	\$ 37,269,881	\$ (66,704)	\$ 37,203,177
Expenses						
Pastoral - <u>Schedule 2</u>	6,292,525	-	6,292,525	6,191,180	-	6,191,180
Educational - <u>Schedule 3</u>	9,879,370	-	9,879,370	9,493,728	-	9,493,728
Community and Social Service - <u>Schedule 4</u>	3,233,657	-	3,233,657	2,548,617	-	2,548,617
Administrative - <u>Schedule 5</u>	18,647,733	-	18,647,733	17,153,918	-	17,153,918
Custodial disbursements						
National collections	617,796	-	617,796	912,884	-	912,884
Unemployment	127,981	-	127,981	104,185	-	104,185
Total expenses	38,799,062	-	38,799,062	36,404,512	-	36,404,512
Excess (deficiency) of revenues over expenses	704,611	(227,889)	476,722	865,369	(66,704)	798,665
Other changes						
Change in value of beneficial interest in perpetual trust	-	9,929	9,929	-	124,049	124,049
Provision for credit losses	(3,372,754)	-	(3,372,754)	(2,388,312)	-	(2,388,312)
Reduction of related party payable	5,000,000	-	5,000,000	186,577	-	186,577
Other components of net periodic pension cost	336,208	-	336,208	186,577	-	186,577
Pension-related changes other than net periodic pension cost	507,344	-	507,344	1,097,243	-	1,097,243
Net unrealized gains and losses on investments	721,916	661,435	1,383,351	1,546,741	659,658	2,206,399
Increase in net assets	3,897,325	443,475	4,340,800	1,307,618	717,003	2,024,621
Net assets, beginning	8,866,542	11,266,090	20,132,632	7,558,924	10,549,087	18,108,011
Net assets, ending	\$ 12,763,867	\$ 11,709,565	\$ 24,473,432	\$ 8,866,542	\$ 11,266,090	\$ 20,132,632

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Operating activities		
Increase in net assets	\$ 4,340,800	\$ 2,024,621
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized (gain) loss on sale of investments	(375,264)	252,134
Net unrealized gain on investments	(1,383,351)	(2,206,399)
Net realized gain on sale of property	(77,456)	(9,301)
(Accretion) amortization on investments	(45,006)	20,468
Depreciation expense	382,473	364,659
Provision for credit losses	3,372,754	2,388,312
Change in beneficial interest in charitable trust	(9,929)	(124,049)
(Increase) decrease in accounts receivable	(3,899,047)	863,892
Decrease (increase) in accrued interest receivable	10,516	(48,231)
Decrease in contributions receivable	5,429	10,913
Increase in due from Catholic Cemeteries	(8,709)	-
(Increase) decrease in prepaid expense	(104,492)	389,972
Increase in other assets	(244,306)	(69,355)
Decrease in accounts payable	(11,661)	(503,533)
Decrease in custodial funds payable	(66,808)	(217,165)
Increase (decrease) in contributions and scholarships payable	279,900	(273,705)
Decrease in liability for pension benefits	(1,160,499)	(1,765,318)
Increase (decrease) in accrued claim expense	632,206	(43,826)
(Decrease) increase in accrued postretirement benefit obligation	(92,923)	80,383
Increase in deferred revenue	123,660	-
Decrease in due to Catholic Cemeteries	(16,052)	(949,429)
(Decrease) increase in due to Diocese of Scranton Institute	(5,000,000)	6,418
Net cash (used in) provided by operating activities	<u>(3,347,765)</u>	<u>191,461</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, 2025 AND 2024

	2025	2024
Investing activities		
Purchase of fixed assets	\$ (72,145)	\$ (429,880)
Proceeds from sale of property	77,456	9,301
Principal collected-loans receivable	2,444,315	192,716
Purchase of investments	(5,716,946)	(6,129,431)
Proceeds from sale of investments	5,960,322	6,889,732
Net cash provided by investing activities	2,693,002	532,438
Financing activities		
Principal payments on loan	(2,444,315)	(192,716)
Net cash used in financing activities	(2,444,315)	(192,716)
Net (decrease) increase in cash	(3,099,078)	531,183
Cash, cash equivalents and restricted cash, beginning	20,359,410	19,828,227
Cash, cash equivalents and restricted cash, ending	\$ 17,260,332	\$ 20,359,410

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 (Deficiency) of Revenues Over Expenses

The Statements of Activities include excess (deficiency) of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficiency) 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, 2025 and 2024, advertising expense amounted to \$47,972 and \$39,386, 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, 2025 and 2024, the Diocese did not pay any interest.

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 2022.

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, 2025, the following financial assets are available to meet annual operating needs for the year ended June 30, 2026:

Financial assets at year-end:	
Cash and equivalents	\$ 14,534,213
Accounts receivable	1,708,098
Accrued interest receivable	96,094
Investments	<u>22,376,016</u>
	38,714,421
Less amounts not available to be used within one year:	
Investments with donor restrictions	<u>9,297,747</u>
Financial assets available to meet general expenditures within one year	<u>\$ 29,416,674</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, 2025, 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, 2025, consisted of the following:

Peoples Security Bank and Trust	\$3,362,042
Community Bank	106,669
Citibank	13,348
PNC Bank	1,567,209
Fidelity Bank	314,927
Mid Penn Bank	634,197
Key Bank	19,479
Comerica Bank	6,407,453
Merrill Lynch	311
Fidelity Bank trust account	13,224
Diocese of Scranton Institute	2,004,704
First National Bank of Omaha	11,738
ESSA Bank and Trust	2,801,806
Petty cash	3,225
Total cash and restricted cash shown in the Statement of Cash Flows	17,260,332
Less: Cash subject to program restrictions	(2,726,119)
Total cash and equivalents	<u>\$ 14,534,213</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>2025</u>	<u>2024</u>
Contributions receivable in:		
Less than one year	\$ 335,569	\$ 340,998
One year to five years	100,000	100,000
Total contributions receivable, net	<u>\$ 435,569</u>	<u>\$ 440,998</u>

Note 4 - Investments

Investments at June 30, 2025 and 2024 are summarized as follows:

	2025		2024	
	Cost	Fair Value (Carrying Value)	Cost	Fair Value (Carrying Value)
Without donor restrictions				
U.S. Obligations	\$ 3,041,560	\$ 2,877,873	\$ 2,784,255	\$ 2,754,963
Corporate Bonds	3,133,658	3,102,691	2,409,536	2,225,159
Mutual Funds	5,084,429	7,097,705	5,301,451	6,646,496
	<u>11,259,647</u>	<u>13,078,269</u>	<u>10,495,242</u>	<u>11,626,618</u>
With donor restrictions				
U.S. Obligations	956,260	1,111,791	1,119,261	1,198,087
Corporate Bonds	1,030,962	1,198,643	904,017	967,683
Mutual Funds	6,009,842	6,987,313	6,561,297	7,023,383
	<u>7,997,064</u>	<u>9,297,747</u>	<u>8,584,575</u>	<u>9,189,153</u>
Total investments	<u>\$ 19,256,711</u>	<u>\$ 22,376,016</u>	<u>\$ 19,079,817</u>	<u>\$ 20,815,771</u>

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

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income, net of fees of \$68,974	\$ 786,104	\$ 482,481	\$ 1,268,585
Net realized gains	223,226	152,038	375,264
Net unrealized gains	721,916	661,435	1,383,351
Total investment return	<u>\$ 1,731,246</u>	<u>\$ 1,295,954</u>	<u>\$ 3,027,200</u>
	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>

Note 5 - Land, Buildings and Equipment

Land, buildings and equipment consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Depreciable Lives</u>
Land, buildings and improvements	\$ 11,344,801	\$ 11,296,863	20-40 Years
Equipment	3,829,689	3,805,482	3-10 Years
Construction in progress	19,513	19,513	
	<u>15,194,003</u>	<u>15,121,858</u>	
Less: Accumulated depreciation	<u>9,695,051</u>	<u>9,312,578</u>	
Total	<u>\$ 5,498,952</u>	<u>\$ 5,809,280</u>	

Depreciation expense amounted to \$382,473 and \$364,659 for the years ended June 30, 2025 and 2024. Construction in progress at June 30, 2025 includes improvements at the Chancery building. Projects are expected to be completed in 2026.

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, 2025 and 2024 of \$380,584 and \$370,655, 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, 2025 and 2024 are as follows:

	<u>Net Assets</u>	
	<u>2025</u>	<u>2024</u>
Saint Pius X Seminary/St. John Vianney	\$3,452,706	\$ 3,091,839
Villa St. Joseph	965,028	832,291
Diocese of Scranton Scholarship Foundation	349,869	319,193
Edward A. Bambera Scholarship Fund	-	276,783
Christie D. Shull Fund	3,221,212	3,007,794
Campaign for Human Development Program	13,094	11,457
Beneficial interest in charitable trust	380,584	370,655
Restricted for program and educational expenditures	<u>208,004</u>	<u>253,500</u>
Total	<u>\$ 8,590,497</u>	<u>\$ 8,163,512</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:

	Net Assets	
	<u>2025</u>	<u>2024</u>
Diocesan Annual Appeal Program costs	\$ 3,948,848	\$ 3,899,848
Campaign for Human Development Program costs	11,457	11,753
National Collections - collections remitted	617,796	912,884
Beatrice M. Eck Endowment Fund Scholarship	674,298	284,570
Villa St. Joseph Capital improvements	54,914	418,651
Seminary/St. John Vianney Fund improvements	140,000	122,003
Diocese of Scranton Scholarship Foundation Scholarships and program costs	<u>826,852</u>	<u>727,039</u>
Total restrictions released	<u>\$ 6,274,165</u>	<u>\$ 6,376,748</u>

Net assets with donor restrictions not subject to appropriation or expenditure as of June 30, 2025 and 2024 are as follows:

	Net Assets	
	<u>2025</u>	<u>2024</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>Beatrice M. Eck Endowment Fund</u> 85% of the income derived from invested funds is to be distributed for Catholic education in Lycoming County.	2,799,886	2,783,396
<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>\$ 3,119,068</u>	<u>\$ 3,102,578</u>

Note 8 - Contributions Payable

Contributions payable amounted to \$724,880 and \$614,377 at June 30, 2025 and 2024, respectively. The balance of the payable at June 30, 2025 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Obligations and funded status at June 30:				
Fair value of plan assets	\$ 16,231,760	\$ 15,447,450	\$ -	\$ -
Projected benefit obligations	<u>18,167,967</u>	<u>18,544,156</u>	<u>6,898,739</u>	<u>6,991,662</u>
Funded status at end of years	<u>\$ (1,936,207)</u>	<u>\$ (3,096,706)</u>	<u>\$ (6,898,739)</u>	<u>\$ (6,991,662)</u>
Amounts recognized in the Statements of Financial Position consist of:				
Liability for benefits	<u>\$ (1,936,207)</u>	<u>\$ (3,096,706)</u>	<u>\$ (6,898,739)</u>	<u>\$ (6,991,662)</u>
Net amount recognized	<u>\$ (1,936,207)</u>	<u>\$ (3,096,706)</u>	<u>\$ (6,898,739)</u>	<u>\$ (6,991,662)</u>

Note 9 - Retirement Plans - (Continued)

The accumulated benefit obligation for both defined benefit pension plans was \$18,167,967 and \$18,544,156 at June 30, 2025 and 2024, respectively. Both plans had accumulated benefit obligations in excess of plan assets at June 30, 2025 and 2024.

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

	Pension Benefits		Postretirement Medical Benefits	
	2025	2024	2025	2024
Net (gain) loss	\$ (934,317)	\$ (1,589,092)	\$ 434,570	\$ 517,955
Prior service cost	(85,414)	(85,414)	-	-
Plan amendment	171,392	-	-	-
Change in assumptions	503	-	(94,078)	59,308
	<u>(847,836)</u>	<u>(1,674,506)</u>	<u>340,492</u>	<u>577,263</u>
Net periodic benefit cost	<u>287,337</u>	<u>509,188</u>	<u>(27,014)</u>	<u>(101,588)</u>
Total	<u>\$ (560,499)</u>	<u>\$ (1,165,318)</u>	<u>\$ 313,478</u>	<u>\$ 475,675</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 \$128,820 and \$218,166, 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 \$387,550 and there is no prior service cost.

<u>Assumptions</u>	Pension Benefits		Postretirement Medical Benefits	
	2025	2024	2025	2024
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>2025</u>	<u>2024</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	2025	2024

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, 2025 and 2024.

Assets:	June 30, 2025			
	Level I	Level II	Level III	Total
U.S. Obligations	\$ 1,238,555	\$ -	\$ -	\$ 1,238,555
Corporate bonds	1,244,743	-	-	1,244,743
Mutual Funds – Equity	12,089,485	-	-	12,089,485
Mutual Funds – Fixed	869,170	-	-	869,170
Money markets	789,807	-	-	789,807
	<u>\$ 16,231,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,231,760</u>

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>

The Diocese’s pension plan weighted-average asset allocations at June 30, 2025 and 2024, by asset category, are as follows:

	Pension Benefits	
	2025	2024
Equity securities	74.48%	71.21%
Debt securities	20.65%	21.78%
Other	4.87%	7.01%
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>
2024 (actual)	\$ 600,000	\$ -
2025 (actual)	600,000	-
2026 (estimated)	-	-

There are no participant contributions after June 30, 2009.

Benefit Payments

Benefit payments:

	<u>Pension Benefits</u>	<u>Other Benefits</u>
2024	\$1,767,965	\$395,322
2025	1,858,945	406,401

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

	<u>Pension Benefits</u>	<u>Other Benefits</u>
2026	\$1,923,675	\$433,563
2027	1,880,722	455,065
2028	1,850,115	482,436
2029	1,763,935	489,010
2030	1,687,399	489,633
Years 2031-2035	7,226,275	2,445,279

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, 2025 and 2024, the Diocese contributed \$156,180 and \$153,474 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 2025 and 2024) 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 was recorded in the Statement of Financial Position in the same amount as the Loan Payable. The balance at June 30, 2024 amounted to \$2,444,315. In January 2025, the loan was refinanced with the Diocese of Scranton Institute.

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, 2025 and 2024 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 2024 Diocesan Annual Appeal totaled \$4,156,962. The Diocese returned to parishes \$273,208 representing seventy-five percent of the funds raised in excess of the individual parish goals for the 2024 campaign. Also, contributions receivable of \$32,691 were recorded at their net realizable value in connection with the 2024 campaign; these contributions were collected within one year.

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.

Note 12 - Diocesan Annual Appeal - (Continued)

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

	2025		2024	
	Budgeted	Actual	Budgeted	Actual
Direct aid to schools and Religious Education Grants	\$ 810,000	\$ 710,793	\$ 810,000	\$ 701,973
Communication and Evangelization	810,000	710,793	810,000	701,973
Parish Faith Formation Grants	135,000	118,465	135,000	116,995
Social services	810,000	710,792	810,000	701,972
Clergy formation, education and Retirement	810,000	710,793	810,000	701,973
Parish Ministries	765,000	671,304	765,000	662,974
Campaign Cost	360,000	315,908	360,000	311,988
	<u>\$ 4,500,000</u>	<u>\$3,948,848</u>	<u>\$ 4,500,000</u>	<u>\$3,899,848</u>

Interest income earned on Appeal funds amounted to \$91,401 and \$67,652 for the years ended June 30, 2025 and 2024.

Note 13 - Contingencies

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 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, 2025 and 2024.

Assets:	June 30, 2025			Total
	Level I	Level II	Level III	
U.S. Obligations	\$ 3,989,664	\$ -	\$ -	\$ 3,989,664
Corporate Bonds				
Aaa credit rating	-	364,458	-	364,458
Aa2 credit rating	-	98,743	-	98,743
Aa3 credit rating	-	87,208	-	87,208
A1 credit rating	-	573,723	-	573,723
A2 credit rating	-	619,631	-	619,631
A3 credit rating	-	453,602	-	453,602
Baa1 credit rating	-	710,573	-	710,573
Baa2 credit rating	-	1,193,943	-	1,193,943
Baa3 credit rating	-	159,676	-	159,676
Ba1 credit rating	-	39,777	-	39,777
Total Corporate Bonds	-	4,301,334	-	4,301,334
Mutual Funds – Fixed	1,898,922	-	-	1,898,922
Mutual Funds – Equity	12,186,096	-	-	12,186,096
	<u>\$ 18,074,682</u>	<u>\$ 4,301,334</u>	<u>\$ -</u>	<u>\$ 22,376,016</u>

Assets:	June 30, 2024			Total
	Level I	Level II	Level III	
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>

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, 2025 and 2024 is as follows:

	<u>2025</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment Funds	<u>\$ -</u>	<u>\$ 6,786,768</u>	<u>\$ 6,786,768</u>
	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment Funds	<u>\$ -</u>	<u>\$ 6,569,627</u>	<u>\$ 6,569,627</u>

Changes in Endowment Net Assets for the years ended June 30, 2025 and 2024, are as follows:

	<u>2025</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 6,569,627	\$ 6,569,627
Investment return:			
Investment income	-	249,323	249,323
Realized and unrealized gains	-	526,771	526,771
Total investment return	-	776,094	776,094
Contributions	-	626,414	626,414
Appropriation of endowment assets for expenditure	-	(1,185,367)	(1,185,367)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 6,786,768</u>	<u>\$ 6,786,768</u>

Note 15 - Endowments - (Continued)

	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>\$ -</u>	<u>\$ 6,569,627</u>	<u>\$ 6,569,627</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, 2025 and 2024, respectively, consist of the following:

	2025					
	<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	\$2,975,133	\$ 1,024,176	\$ -	\$ 3,999,309	\$ 1,839,451	\$5,838,760
Clergy support	1,097,579	-	-	1,097,579	-	1,097,579
Grants and contributions	-	11,079,698	-	11,079,698	617,796	11,697,494
Supplies and program	1,344,217	639,863	-	1,984,080	410,332	2,394,412
Occupancy	256,345	251,572	-	507,917	179,126	687,043
Legal and professional fees	382,456	4,914	6,290	393,660	260,027	653,687
Insurance premiums & claims	-	-	16,047,614	16,047,614	-	16,047,614
Depreciation	236,795	112,804	-	349,599	32,874	382,473
Total	<u>\$6,292,525</u>	<u>\$13,113,027</u>	<u>\$16,053,904</u>	<u>\$35,459,456</u>	<u>\$3,339,606</u>	<u>\$38,799,062</u>

	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>

SUPPLEMENTARY INFORMATION

DIOCESAN ADMINISTRATIVE OFFICES

SCHEDULE 1

OF THE DIOCESE OF SCRANTON

SCHEDULE OF PROGRAM REVENUES

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Parish Ministry	\$ 98,659	\$ 143,420
The Catholic Light	64,278	70,626
Communications Office	39,088	46,892
Matrimonial Tribunal	4,289	5,940
Catholic Schools Office	3,506	3,952
Pastoral Center	680	3,070
	<u>\$ 210,500</u>	<u>\$ 273,900</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, 2025 AND 2024

	<u>Matrimonial Tribunal</u>		<u>Parish Ministry</u>		<u>Communications Office</u>		<u>The Catholic Light</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Salaries and benefits:								
Compensation - clergy and religious	\$ 28,174	\$ 27,646	\$ 19,087	\$ 17,936	\$ -	\$ -	\$ -	\$ -
Benefits - clergy and religious	10,856	10,317	5,664	600	-	-	-	-
Salaries and wages - lay persons	58,512	42,071	510,640	424,888	216,871	226,034	152,793	147,080
Benefits - lay persons	35,168	28,000	124,320	108,949	61,818	57,274	59,642	55,263
Total salaries and benefits	<u>132,710</u>	<u>108,034</u>	<u>659,711</u>	<u>552,373</u>	<u>278,689</u>	<u>283,308</u>	<u>212,435</u>	<u>202,343</u>
Supplies, office and program expense	17,557	4,282	174,101	311,567	4,430	3,819	3,821	3,117
Telephone, postage and printing	7,775	6,507	11,933	10,148	1,264	1,666	125,540	124,142
Conferences, meetings and travel	4,956	6,021	25,019	27,348	4,367	5,071	25	104
Legal and professional fees	12,174	11,032	147	275	27,921	24,732	34,253	36,237
Advertising	-	-	-	-	-	-	-	-
Publishing	-	-	-	-	-	-	59,700	60,919
Dues and subscriptions	2,890	2,526	6,447	7,780	4,208	4,330	3,553	3,416
Insurance	23	779	151	-	6,984	10,496	6,351	5,948
Building occupancy and maintenance expense	-	-	-	-	2,376	1,226	-	-
Depreciation expense	-	-	252	1,831	6,672	6,191	2,782	2,782
Utilities	-	-	-	-	2,169	2,326	-	-
Priests' medical expense	-	-	-	-	-	-	-	-
Clergy medical assistance and maintenance	-	-	-	-	-	-	-	-
Seminary and clergy education	-	-	-	-	-	-	-	-
Pennsylvania Catholic Conference dues	-	-	-	-	-	-	-	-
United States Catholic Conference dues	-	-	-	-	-	-	-	-
Other dues	-	-	-	-	-	-	-	-
	<u>\$ 178,085</u>	<u>\$ 139,181</u>	<u>\$ 877,761</u>	<u>\$ 911,322</u>	<u>\$ 339,080</u>	<u>\$ 343,165</u>	<u>\$ 448,460</u>	<u>\$ 439,008</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, 2025 AND 2024

	Vicar for Priests		Episcopal Vicars		Clergy and Religious	
	2025	2024	2025	2024	2025	2024
Salaries and benefits:						
Compensation - clergy and religious	\$ 106,358	\$ 103,229	\$ 40,000	\$ 40,829	\$ 34,159	\$ 132,640
Benefits - clergy and religious	41,172	39,017	1,000	1,000	434,557	412,675
Salaries and wages - lay persons	120,894	117,087	-	-	-	-
Benefits - lay persons	23,243	22,165	-	-	-	-
Total salaries and benefits	<u>291,667</u>	<u>281,498</u>	<u>41,000</u>	<u>41,829</u>	<u>468,716</u>	<u>545,315</u>
Supplies, office and program expense	11,679	7,486	-	-	129,038	114,289
Telephone, postage and printing	6,486	7,323	633	630	364	1,576
Conferences, meetings and travel	12,163	8,891	1,097	698	31,845	11,526
Legal and professional fees	-	-	-	-	67,281	78,638
Advertising	-	-	-	-	-	-
Publishing	-	-	-	-	-	-
Dues and subscriptions	680	570	-	-	-	-
Insurance	826	1,558	-	-	1,090	4,452
Building occupancy and maintenance expense	-	-	-	-	41,396	57,271
Depreciation expense	783	783	-	-	2,952	2,952
Utilities	-	-	-	-	-	-
Priests' medical expense	-	-	-	-	586,056	618,743
Clergy medical assistance and maintenance	-	-	-	-	154,142	69,913
Seminary and clergy education	-	-	-	-	357,381	409,259
Pennsylvania Catholic Conference dues	-	-	-	-	-	-
United States Catholic Conference dues	-	-	-	-	-	-
Other dues	-	-	-	-	-	-
	<u>\$ 324,284</u>	<u>\$ 308,109</u>	<u>\$ 42,730</u>	<u>\$ 43,157</u>	<u>\$ 1,840,261</u>	<u>\$ 1,913,934</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, 2025 AND 2024

SCHEDULE 2

	Diocesan Annual Appeal		Diocesan Properties Facility Operating Costs		Pastoral Center		Other Programs		Total Pastoral Expenses	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Salaries and benefits:										
Compensation - clergy and religious	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,217	\$ 140,467	\$ 354,995	\$ 462,747
Benefits - clergy and religious	-	-	-	-	-	-	43,454	52,985	536,703	516,594
Salaries and wages - lay persons	389,012	327,624	-	-	41,100	33,301	88,701	70,933	1,578,523	1,389,018
Benefits - lay persons	147,068	117,413	-	-	12,820	10,425	40,833	30,512	504,912	430,001
Total salaries and benefits	<u>536,080</u>	<u>445,037</u>	<u>-</u>	<u>-</u>	<u>53,920</u>	<u>43,726</u>	<u>300,205</u>	<u>294,897</u>	<u>2,975,133</u>	<u>2,798,360</u>
Supplies, office and program expense	136,522	61,716	-	-	22,518	23,541	117,269	121,908	616,935	651,725
Telephone, postage and printing	57,031	56,947	-	-	6,711	6,157	2,350	2,827	220,087	217,923
Conferences, meetings and travel	8,421	5,077	-	-	1,105	340	9,762	8,770	98,760	73,846
Legal and professional fees	223,233	245,806	-	-	-	-	17,447	31,342	382,456	428,062
Advertising	-	-	-	-	-	-	3,680	8,185	3,680	8,185
Publishing	-	-	-	-	-	-	-	-	59,700	60,919
Dues and subscriptions	2,634	3,500	-	-	-	-	1,718	1,093	22,130	23,215
Insurance	2,806	1,558	83,804	75,127	-	-	349	779	102,384	100,697
Building occupancy and maintenance expense	-	-	108,020	122,559	-	-	-	-	151,792	181,056
Depreciation expense	283	283	222,272	226,010	-	-	799	732	236,795	241,564
Utilities	-	-	-	-	-	-	-	-	2,169	2,326
Priests' medical expense	-	-	-	-	-	-	-	-	586,056	618,743
Clergy medical assistance and maintenance	-	-	-	-	-	-	-	-	154,142	69,913
Seminary and clergy education	-	-	-	-	-	-	-	-	357,381	409,259
Pennsylvania Catholic Conference dues	-	-	-	-	-	-	187,851	173,213	187,851	173,213
United States Catholic Conference dues	-	-	-	-	-	-	68,022	66,082	68,022	66,082
Other dues	-	-	-	-	-	-	67,052	66,092	67,052	66,092
	<u>\$ 967,010</u>	<u>\$ 819,924</u>	<u>\$ 414,096</u>	<u>\$ 423,696</u>	<u>\$ 84,254</u>	<u>\$ 73,764</u>	<u>\$ 776,504</u>	<u>\$ 775,920</u>	<u>\$ 6,292,525</u>	<u>\$ 6,191,180</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, 2025 AND 2024

	<u>Catholic Schools Office</u>		<u>Educational Grants</u>		<u>Total Educational Expenses</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Salaries and benefits:						
Compensation - clergy and religious	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits - clergy and religious	-	-	-	-	-	-
Salaries and wages - lay persons	471,189	429,605	-	-	471,189	429,605
Benefits - lay persons	206,278	158,450	-	-	206,278	158,450
Total salaries and benefits	<u>677,467</u>	<u>588,055</u>	<u>-</u>	<u>-</u>	<u>677,467</u>	<u>588,055</u>
Supplies, office and program expense	53,412	26,988	-	-	53,412	26,988
Telephone, postage and printing	6,951	4,639	-	-	6,951	4,639
Conferences, meetings and travel	23,958	18,578	-	-	23,958	18,578
Legal and professional fees	4,914	112,579	-	-	4,914	112,579
Advertising	36,570	21,926	-	-	36,570	21,926
Dues and subscriptions	3,892	4,923	-	-	3,892	4,923
Depreciation expense	319	348	-	-	319	348
Contributions and program grants	13,075	15,209	118,465	116,995	131,540	132,204
Educational grants:						
Diocesan Catholic Schools	-	-	8,921,481	8,564,738	8,921,481	8,564,738
Catholic University of America	-	-	18,750	18,750	18,750	18,750
Insurance	116	-	-	-	116	-
	<u>\$ 820,674</u>	<u>\$ 793,245</u>	<u>\$ 9,058,696</u>	<u>\$ 8,700,483</u>	<u>\$ 9,879,370</u>	<u>\$ 9,493,728</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, 2025 AND 2024

	<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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Salaries and benefits:								
Compensation - clergy and religious	\$ -	\$ 17,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,646
Benefits - clergy and religious	-	9,817	-	-	-	250	-	10,067
Salaries and wages - lay persons	196,870	191,874	-	-	35,267	15,423	232,137	207,297
Benefits - lay persons	105,036	80,779	-	-	9,536	2,435	114,572	83,214
Total salaries and benefits	<u>301,906</u>	<u>300,116</u>	<u>-</u>	<u>-</u>	<u>44,803</u>	<u>18,108</u>	<u>346,709</u>	<u>318,224</u>
Supplies, office and program expense	30,648	31,602	-	-	186,449	247,005	217,097	278,607
Telephone, postage and printing	5,455	5,091	-	-	14	41	5,469	5,132
Dues and subscriptions	233	540	-	-	-	-	233	540
Food service	291,219	300,783	-	-	-	-	291,219	300,783
Utilities	94,843	85,794	-	-	-	-	94,843	85,794
Building occupancy and maintenance	103,449	92,368	-	-	-	-	103,449	92,368
Depreciation expense	112,485	91,832	-	-	-	-	112,485	91,832
Insurance	53,164	42,002	-	-	-	-	53,164	42,002
Conferences, meetings and travel	574	814	-	-	488	83	1,062	897
Advertising	-	740	-	-	-	-	-	740
Social Service Grants:								
Catholic Social Services	-	-	641,262	632,977	-	-	641,262	632,977
Saint Peter's Cathedral	-	-	162,000	162,000	-	-	162,000	162,000
United Way Campaigns	-	-	20,000	25,000	-	-	20,000	25,000
Commissions for Catholic Missions	-	-	18,750	18,750	-	-	18,750	18,750
Contributions	-	-	1,038,194	360,320	127,721	132,651	1,165,915	492,971
	<u>\$ 993,976</u>	<u>\$ 951,682</u>	<u>\$ 1,880,206</u>	<u>\$ 1,199,047</u>	<u>\$ 359,475</u>	<u>\$ 397,888</u>	<u>\$ 3,233,657</u>	<u>\$ 2,548,617</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, 2025 AND 2024

	Chancery Office		Finance Office		Self-Insurance Program - General		Self-Insurance Program - Medical	
	2025	2024	2025	2024	2025	2024	2025	2024
Salaries and benefits:								
Compensation - clergy and religious	\$ 86,736	\$ 84,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits - clergy and religious	20,461	19,383	-	-	-	-	-	-
Salaries and wages - lay persons	189,169	197,769	431,699	466,719	-	-	-	-
Benefits - lay persons	76,223	76,647	142,640	144,430	-	-	-	-
Total salaries and benefits	<u>372,589</u>	<u>378,003</u>	<u>574,339</u>	<u>611,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Supplies, office and program expense	95,029	80,616	45,949	40,709	-	-	-	-
Telephone, postage and printing	22,196	20,152	5,209	5,346	-	-	-	-
Conferences, meetings and travel	27,592	23,107	5,747	7,366	-	-	-	-
Legal and professional fees	59,533	126,890	120,596	97,436	6,290	2,544	-	-
Advertising	500	2,200	-	-	-	-	-	-
Dues and subscriptions	4,503	2,991	1,351	1,591	-	-	-	-
Depreciation expense	7,726	4,969	285	285	-	-	-	-
Self-insurance premiums	-	-	-	-	2,889,475	2,353,543	141,588	137,853
Claims expense	-	-	-	-	2,513,398	1,727,341	8,685,077	8,430,913
Administrative fees	-	-	-	-	104,393	108,546	1,713,683	1,717,393
Occupancy expense	-	-	-	-	-	-	-	-
Repairs and maintenance expense	-	-	-	-	-	-	-	-
Insurance	5,845	2,965	142	779	-	-	-	-
	<u>\$ 595,513</u>	<u>\$ 641,893</u>	<u>\$ 753,618</u>	<u>\$ 764,661</u>	<u>\$ 5,513,556</u>	<u>\$ 4,191,974</u>	<u>\$ 10,540,348</u>	<u>\$ 10,286,159</u>

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

DIOCESAN ADMINISTRATIVE OFFICES

OF THE DIOCESE OF SCRANTON

SCHEDULE OF ADMINISTRATIVE EXPENSES - CONTINUED

SCHEDULE 5

YEARS ENDED JUNE 30, 2025 AND 2024

	Facilities Manager		Other Administrative Expenses		Total Administrative Expenses	
	2025	2024	2025	2024	2025	2024
Salaries and benefits:						
Compensation - clergy and religious	\$ -	\$ -	\$ -	\$ -	\$ 86,736	\$ 84,204
Benefits - clergy and religious	-	-	-	-	20,461	19,383
Salaries and wages - lay persons	134,871	163,644	552,003	531,050	1,307,742	1,359,182
Benefits - lay persons	33,427	44,681	172,222	169,308	424,512	435,066
Total salaries and benefits	<u>168,298</u>	<u>208,325</u>	<u>724,225</u>	<u>700,358</u>	<u>1,839,451</u>	<u>1,897,835</u>
Supplies, office and program expense	475	157	48,355	64,923	189,808	186,405
Telephone, postage and printing	-	3	6,857	9,363	34,262	34,864
Conferences, meetings and travel	480	1,180	5,797	6,003	39,616	37,656
Legal and professional fees	50,500	48,000	29,398	32,915	266,317	307,785
Advertising	-	-	7,222	6,335	7,722	8,535
Dues and subscriptions	-	-	5,089	4,868	10,943	9,450
Depreciation expense	229	229	24,634	25,432	32,874	30,915
Self-insurance premiums	-	-	-	-	3,031,063	2,491,396
Claims expense	-	-	-	-	11,198,475	10,158,254
Administrative fees	-	-	-	-	1,818,076	1,825,939
Occupancy expense	-	-	125,071	116,388	125,071	116,388
Repairs and maintenance expense	-	-	41,739	41,114	41,739	41,114
Insurance	1,153	-	5,176	3,638	12,316	7,382
	<u>\$ 221,135</u>	<u>\$ 257,894</u>	<u>\$ 1,023,563</u>	<u>\$ 1,011,337</u>	<u>\$ 18,647,733</u>	<u>\$ 17,153,918</u>

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