



CATHEDRAL OF
SAINT PETER

THE ANNUAL REPORT 2023

Five-Year Financial Trend





CATHEDRAL OF SAINT PETER

SERVING THE FAITHFUL OF THE DIOCESE OF SCRANTON SINCE 1853

OFFICE OF THE PASTOR

Reverend Jeffrey D. Tudgay

January 13, 2024

Dear Cathedral Family,

I hope that your Christmas celebrations were a time of rest and enjoyment as we celebrated Christ's birth into our world. Additionally, I hope that the beginning of 2024 is a time of hope and optimism for each of you. As we begin a new year, I want to take an opportunity to provide a brief update on finances here at the Cathedral of Saint Peter. The Diocese of Scranton requires each parish to publish a statement of a five-year financial trend. Accompanying this letter is a document that shows the financial trends for the Cathedral Parish for the previous five years, which includes the impact of the PPP loans from 2020 and 2021 and the remaining unfunded diocesan assessments.

For the fiscal year ending June 30, 2023, we concluded with an operational deficit of **\$36,848.35**. This might sound like bad news. However, as we anticipated the ongoing impact of inflation, additional administrative expenses and necessary capital expenditures, the actual projected deficit was expected to be **\$142,274.00**, outperforming our budget by over \$100,000! In addition, we also reduced our diocesan liabilities by \$30,000. Considering all of the financial headwinds that came our way, we fared pretty well.

How? First, your response to *Cathedral Mission Forward* in March resulted in an *increase* in offertory income by **\$49,972.17** from the previous fiscal year. Second, careful monitoring of our expenses allowed us to minimize the impact of inflation as much as we were able and, frankly, a mild Winter season didn't hurt! Third, many friends of the Cathedral continued to show their generosity through gifts-in-kind to help offset the costs of various projects that needed to be addressed. Finally, the efforts of fundraising through the *Cathedral Bingo*, the *Night at the Races* and other fundraising events allowed us to make significant progress to close the deficit gap in our budget. In short, we survived the previous fiscal year because we all rolled up our sleeves and made it work.

For fiscal year 2023-2024, we are anticipating a deficit of **\$66,923**. We are taking a very cautious approach to administrative expenses this year and projecting the need for additional capital investment in our historic and beautiful buildings. Additionally, this budget includes an expansion of ministerial programming as well as provision for a reduction in diocesan liabilities by an additional \$30,000. To address our projected deficit, I have formed a task force from our finance council to examine our operations and propose solutions for ongoing cost saving measures. I am confident that responsible oversight of parish administration combined with your continued generosity will allow us to close the gap in our budget.

Know that I am grateful for your incredible generosity, which continues to have an impact on the mission of our parish. Be assured of my continued prayers.

Sincerely in Christ,

Rev. Jeffrey D. Tudgay, J.C.L.
Pastor and Rector



Parish Financial Report
St. Peter's Cathedral - Scranton
TREND ANALYSIS

| | Fiscal Year July 1 - June 30 | | | | |
|---|------------------------------|----------------|----------------|-----------------|-----------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Revenue | | | | | |
| Collections | 516,675 | 466,703 | 417,453 | 418,926 | 417,887 |
| Faith Formation Fees | - | - | - | - | - |
| Fundraising/Development | 144,908 | 102,456 | 113,947 | 49,739 | 39,232 |
| Other Income | 29,006 | 36,983 | 21,442 | 29,703 | 27,218 |
| Designated Income/Grants/PPP Loan | 202,000 | 175,500 | 162,000 | 162,000 | 148,500 |
| Transfers Savings Account/Other | - | 59,820 | 61,300 | - | - |
| Diocesan Special Collections | 18,881 | 25,456 | 14,315 | 23,331 | 27,567 |
| Total Revenue | 911,470 | 866,918 | 790,457 | 683,699 | 660,404 |
| Expenses | | | | | |
| Administration | 275,930 | 222,389 | 212,121 | 216,442 | 217,083 |
| Rectory | 191,342 | 130,520 | 134,280 | 115,367 | 122,322 |
| Liturgy | 205,910 | 146,057 | 129,063 | 132,407 | 151,206 |
| Faith Formation | 666 | 307 | 306 | 106 | 1,015 |
| Social Justice | 3,984 | 6,401 | 3,215 | 2,449 | 3,165 |
| Operation & Maintenance of Plant | 84,601 | 71,181 | 62,298 | 64,761 | 58,838 |
| Fixed Expense | 49,809 | 46,907 | 45,338 | 43,846 | 42,018 |
| Debt Service | - | - | - | - | - |
| Capital Outlays | - | 38,879 | - | 8,144 | 2,502 |
| Designated Expenses /Transfers Out | 9,350 | 306 | - | - | - |
| Catholic School Assessment | 107,880 | 101,208 | 99,178 | 50,400 | 35,000 |
| Diocesan Special Collections Remittance | 18,845 | 24,812 | 13,704 | 23,388 | 28,441 |
| Total Expense | 948,319 | 788,968 | 699,503 | 657,310 | 661,590 |
| Parish Surplus/(Deficit) - CASH Basis | (36,848) | 77,950 | 90,954 | 26,389 | (1,186) |
| (Increase)/Decrease in Unpaid Diocesan Obligations | 28,127 | 36,972 | 29,476 | (16,655) | (46,259) |
| Actual Parish Net Surplus/(Deficit) | (8,721) | 114,922 | 120,430 | 9,734 | (47,445) |
| **NOTE** | | | | | |
| Outstanding Diocesan Obligations could include: Diocesan assessments, School assessments, health insurance, self-insurance, pension and other expenses. | | | | | |
| End of Year Unpaid Diocesan Obligations | 69,121 | 97,248 | 134,220 | 163,696 | 147,041 |
| Beginning of Year Unpaid Diocesan Obligations | 97,248 | 134,220 | 163,696 | 147,041 | 100,782 |
| (Increase)/Decrease in Unpaid Diocesan Obligations | 28,127 | 36,972 | 29,476 | (16,655) | (46,259) |
| Diocesan Loan/Debt | N/A | N/A | N/A | N/A | N/A |

Understanding Your Parish Financial Report

Revenue

- **Collections** include all offertory envelopes, online giving and loose collections, including for holidays, Holy Days and any special collection (flowers) envelopes.
- **Faith Formation Fees** include all registration and program fees for both faith formation and adults programs.
- **Fundraising/Development** includes any gifts or donations that are not regular parish offertory, bequests and memorials, parish activities (dinners, picnics, bingo, lottery, etc.), donations from parish societies and any parish rebate from the Diocesan Annual Appeal (75% over goal is refunded to the parish).
- **Other Income** includes rental of facilities, insurance refunds, interest income, sale of assets, funeral/wedding perquisites or any other income.
- **Designated Income/Grants/PPP Loan** includes donations or grants specifically earmarked for a designated purpose, reimbursements from linked parishes to help cover expenses and any Paycheck Protection Plan grant income.
- **Transfers Savings Account/Other** includes transfers from bank accounts that are excluded from operating income or have already been reported as operating income.
- **Diocesan Special Collections** are special collections (Care & Education of Priests or Emergency collections following a natural disaster) which get remitted back to the Diocese.

Expenses

- **Administration** includes clergy salary and benefits, office staff salary and benefits, administrative expenses, telephone, computer services, postage, printing, envelopes and the Cathedricum (9.5% parish assessment to the Diocese) and Clergy Care and Wellness Assessment.
- **Rectory** expenses include the costs to run and maintain the rectory, as well as household expenses for the pastor(s).
- **Liturgy** includes salaries and benefits for musicians and liturgical staff including directors, musicians and sacristans. This also includes all liturgical equipment and supplies (printed materials, candles, flowers, decorations, etc.)
- **Faith Formation** includes salaries and benefits of faith formation director and staff, including family and/or youth director. This also includes the cost of all textbooks and supplies, retreats, etc.
- **Social Justice** includes all social justice salaries and benefits, as well as the cost of all social justice expenses.
- **Operation & Maintenance of Plant** includes salaries and benefits of all maintenance staff. This also includes the occupancy costs of the parish buildings, including electricity, heat, water, cleaning, janitorial, repairs and maintenance, and any plant and maintenance supplies.
- **Fixed Expense** includes insurance premiums from the Diocesan self-insured program for property, liability and workers compensation, real estate taxes (if any) and rental of facilities.
- **Debt Service** includes the interest and principal payments paid on outstanding parish debt.
- **Capital Outlays** includes any major repairs on the parish building or site or any new construction costs.
- **Designated Expenses/Transfers Out** includes all expenses designated for a specific purpose (i.e., food pantry) or transfers out to savings/building fund.
- **Catholic School Assessments** paid are included here. These represent the parish's portion allocated for the support of the Diocese of Scranton Catholic School System which are 14.5% for a parish with a Catholic School in its county and 8% if there is no school in its county.
- **Diocesan Special Collections Remittance** are the remittals of the Diocesan collections above.

Parish Surplus/(Deficit) - CASH Basis

- This line represents the **increase or decrease** in parish cash balances from the beginning of the year to the end of the year on a **CASH BASIS** based on actual expenses paid.

(Increase)/Decrease in Unpaid Diocesan Obligations

- This amount represents the change in the parish's **unpaid obligations** over the year. If there is an **increase** in unpaid obligations, this number will be **negative**. If the parish **reduced** its unpaid obligations, this will be a **positive** number.

Actual Parish Net Surplus/(Deficit)

- This value is the sum of the Parish Surplus/(Deficit) and the (Increase)/decrease of Unpaid Diocesan Obligations. The cash balance represents the net effect of operating activity on a cash basis. If a parish is current on all of its obligation, there would be no difference between the Cash and ACTUAL Parish Net Surplus/(Deficit). However, if a parish is unable to stay current on its obligations, the increase of unpaid obligations will reduce their CASH Basis Net Surplus/(Deficit) by the amount of the increase in unpaid Diocesan obligations.

This Actual Parish Net Surplus/(Deficit) reflects a parish's true ability to pay its current obligations.

Outstanding Diocesan Obligations

- This section highlights the change in a parish's unpaid Diocesan obligations over each fiscal year. If a parish has an increase in unpaid obligations for the year, this will result in a lower Actual Parish Net Surplus/(Deficit) as these are an annual obligation of the parish that was not paid in the current year.

Diocesan Loan/Debt

- This is the amount of outstanding loans of the parish.