

## Office of Catholic Education

Narrative Explaining Audited Financial Statements for the Year Ended June 30, 2024.

This narrative accompanies the audited financial statements for the year ended June 30, 2024 for the Office of Catholic Education entities including the High Schools (see audited financial statements for Archdiocese of Philadelphia Office of Catholic Education High Schools), Schools of Special Education (see audited financial statements for Archdiocese of Philadelphia Office of Catholic Education Schools of Special Education), and the OCE Administration Account (see Archdiocese of Philadelphia Office of Catholic Education Administration Account). The High Schools include financial statements for the fifteen high schools owned by the Archdiocese. The Schools of Special Education include the financial statements for the three schools for children with special needs.

The audited financial statements for all three entities provide information on the fiscal year ended June 30, 2024 (Fiscal 2024) and year ended June 30, 2023 (Fiscal 2023).

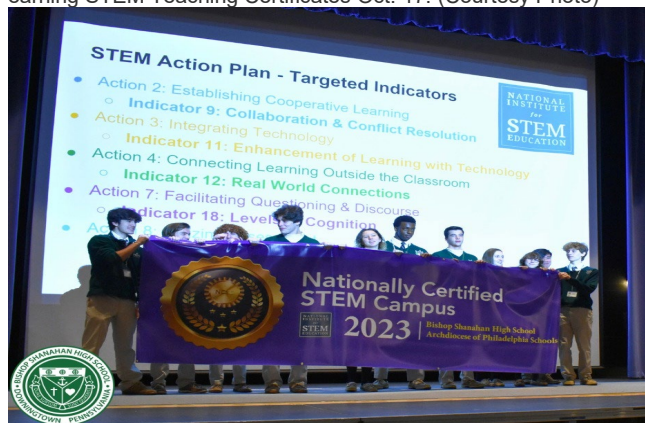
### High Schools

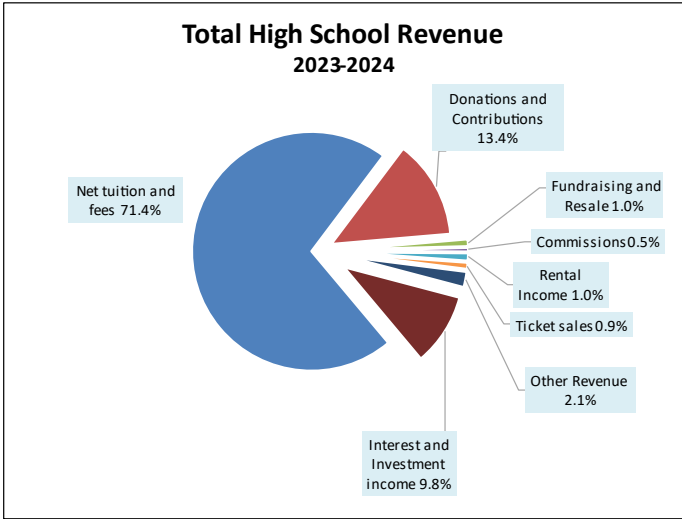
The High Schools financial statements report the overall financial position and results for the 15 high schools owned by the Archdiocese, which educated 10,245 students in Fiscal 2024 and 10,123 students in Fiscal 2023. Tuition and fees were the primary source of revenue that supports administrative and instructional salaries and benefits along with plant expenses. Other revenue includes donations, fund-raising, ticket sales, rental income, and commissions as well as net assets released from restriction.

As shown in the table below, there was a total increase in net assets of \$19,802,824 for Fiscal 2024, which is a decrease from the change in net assets of \$34,383,348 in Fiscal 2023.

	Fiscal 2024	Fiscal 2023
Change in Net Assets Without Donor Restrictions	\$ 14,569,710	\$ 22,813,743
Change in Net Assets With Donor Restrictions	5,233,114	11,569,605
Total Change in Net Assets	\$ 19,802,824	\$ 34,383,348

**Figure 1** Bishop Shanahan High School in Downingtown celebrates earning a National Certificate for STEM Excellence and six teachers earning STEM Teaching Certificates Oct. 17. (Courtesy Photo)



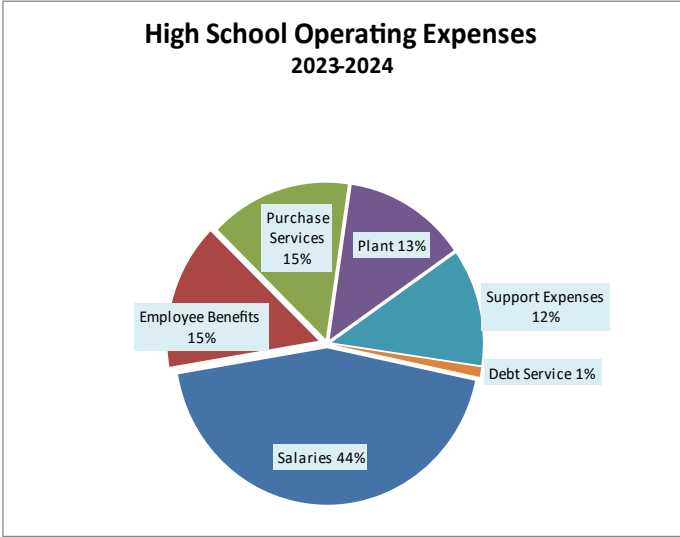


In Fiscal 2024, tuition and fee revenue accounted for 71.4% of the revenue generating \$101.9 million. Donations generated another \$19.1 million or 13.4%. We are thankful for the generosity of our alumni and other benefactors who support our high schools.

Most of the funds generated from alumni are used to help provide tuition assistance.

In Fiscal 2024, High School operating expenses totaled \$120.6 million, thus the average total cost per student, including the cost of extracurricular activities, was \$11,770, an increase of \$603 from Fiscal 2023. Actual tuition and fee charges were lower since other sources of funding supplemented the difference.

Salary expenses make up the largest expense at 44%, followed by Purchase services and employee benefits both at 15% of total operating expenses and then plant expense at 13% and support expenses at 12% of the total costs.



While net assets without donor restriction were \$126 million at June 30, 2024, it should be noted that not all of this total was cash available for operations. Included in the above total of net assets without donor restriction is Property and equipment of \$106.5 million and there was long term debt of \$23.3 million for the construction of new schools. In addition, the development funds are only available for use at specific schools.

Funds with donor restrictions have time or use restrictions that the High Schools must follow in the use of these funds. As described in Note H to the financial statements, these funds are typically restricted for tuition assistance or operations and improvements.

The funds with donor restrictions include funds where the donor-imposed restrictions require that the asset to be maintained in perpetuity, but which allow the High Schools to spend all or part of the income. As described in Note H to the financial statements, the endowments are generally for tuition assistance or for operations and improvements. The largest fund is the endowment from the Catholic Life 2000 campaign which totaled \$25.9 million at June 30, 2024. The high schools used \$1,073,750 for operations and maintenance from the earnings on this endowment in Fiscal 2024.

## Schools of Special Education

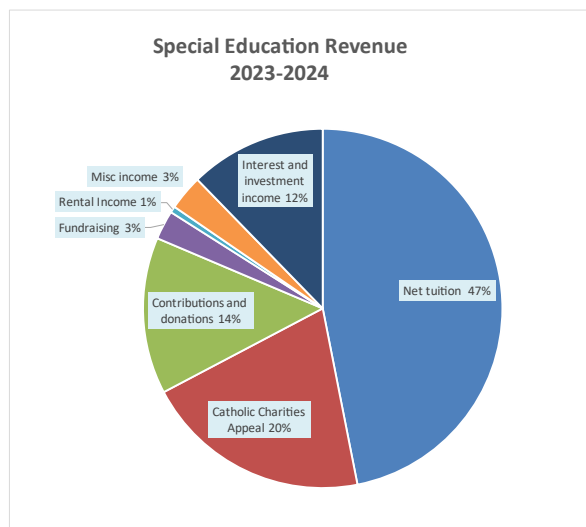
The Schools of Special Education include St. Lucy School, St. Katherine School and Our Lady of Confidence School. These schools provide a Catholic education to students with autism spectrum disorder and cognitive impairments and students with sensory impairments such as visual loss. The students receive specially designed instruction that includes supplementary aids and services in the least restrictive environment, as well as the full benefits of a Catholic education. In Fiscal 2024, the schools enrolled 146 students.

As shown in the table below, there was an increase in total net assets of \$593,899 for Fiscal 2024, which is an increase from the change in net assets of \$32,651 in Fiscal 2023.



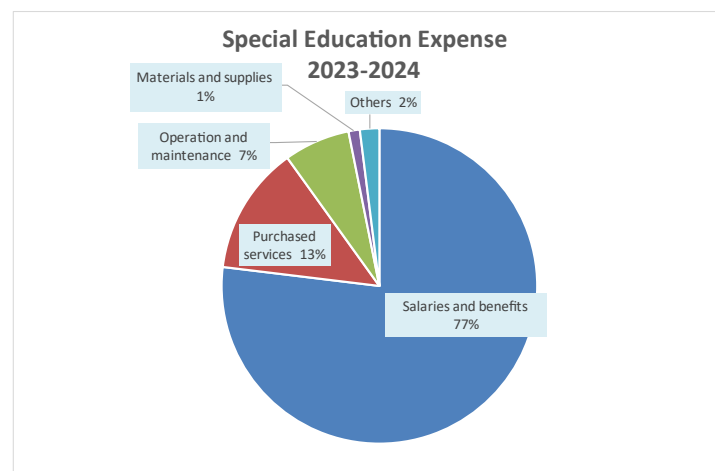
**Figure 2** St. Katherine and Archbishop Carroll students collaborate in the Best Buddies program. (Photo courtesy of St. Katherine Facebook)

	Fiscal 2024	Fiscal 2023
Change in Net Assets Without Donor Restrictions	\$ 305,256	\$ (63,926)
Change in Net Assets With Donor Restrictions	288,643	96,577
Total Change in Net Assets	\$ 593,899	\$ 32,651



Contributions from Catholic Charities accounted for 20% of revenue, and net tuition accounted for 47% of the revenue for the special education schools. Net Tuition revenue was \$2,061,825, an increase of \$523,844 from Fiscal 2023. Catholic Charities provided \$896,227 in Fiscal 2024, a decrease of (\$290,215) from Fiscal 2023. Donations raised by the local schools generated \$619,964 or 14% of total revenue. Net investment return for the year was \$539,863 an increase of \$90,758 from Fiscal 2023.

Salaries and benefits represented the largest portion of expenses at 77%, followed by purchased services at 13%. The average cost per student was \$26,044 in Fiscal 2024. With the support of the Catholic Charities Appeal, tuition charges are well below this cost.



## **Office of Catholic Education Administration**

The Office of Catholic Education is responsible for providing administrative support to elementary, special education, and high schools. The Office provides services and training for teachers and administrators and direction on curriculum and instruction and the use of technology in instruction.

In Fiscal 2024, there was a change in net assets of \$2,412,496, an increase from the change in net assets of \$2,149,854 in Fiscal 2023. The value of a beneficial trust held by a third party increased by \$1,410,640 in Fiscal 2024 and increased by \$892,494 in Fiscal 2023, which is a year over year change of \$518,146.

	Fiscal 2024	Fiscal 2023
Change in Net Assets Without Donor Restrictions	\$ 329,536	\$ 240,696
Change in Net Assets With Donor Restrictions	2,082,960	1,909,158
Total Change in Net Assets	\$ 2,412,496	\$ 2,149,854

Elementary schools are operated at the local level by parishes or regional boards, so their financial results are not included in any of the financial reports of the Office of Catholic Education. Similarly, the report does not include the financial activity of parish religious education programs.

During Fiscal 2024, revenue for the office came from the following sources:

High Schools, Special Education Schools and Parishes	53%
Investment return, net	14%
Distribution from Sullivan Trust	12%
Change in Beneficial Trust	11%
Donations and Contributions	9%
Program Revenues	1%

Net assets subject to time or use donor-imposed restrictions at June 30, 2024 include \$10,096,470 (see Note F to the financial statements) to be used for tuition assistance or programs. Net assets with donor-restrictions related to funds held in perpetuity include \$ 35,388,317 (see Note F to the financial statements) to be used for programs and tuition assistance. The net assets with donor-restrictions related to funds held in perpetuity include the Francis W. Sullivan Trust which is managed by an outside trust which provides annual support for tuition assistance and educational programs for all levels of education. The tuition assistance funds included in the Office of Catholic Education financial statements support elementary programs or provide for general funding at any level of education. Funds, which can only be used in high schools or special education schools, are included in those financial statements.