

Judicial Department of Pennsylvania

Statements of Judicial Operations

Year Ended June 30, 2025
with Independent Auditor's Report

MaherDuessel

A horizontal bar is positioned below the company name. The left portion of the bar is black, and the right portion is blue, matching the color of the 'D' in the company name.

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEARS ENDED JUNE 30, 2025 AND 2024

TABLE OF CONTENTS

Independent Auditor's Report

Financial Statements:

Statements of Judicial Operations	1
Notes to Financial Statements	8

Independent Auditor's Report

**Members of the Judicial Auditing Agency
Judicial Department of Pennsylvania**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Judicial Department of Pennsylvania (Judiciary) Statements of Judicial Operations (the financial statements), for the year ended June 30, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Judiciary operating activity for the year ended June 30, 2025, in accordance with the budgetary basis of accounting as described in Note 1 of the financial statements and to the extent as described in Note 2 of the financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Judiciary, 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described in Note 2, the financial statements do not purport to show all transactions of the Judiciary. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the budgetary basis of accounting described in the Notes of the financial statements, and for determining that the budgetary basis of accounting is an acceptable basis for the preparation

of the financial statements in the circumstances. Management is also responsible 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.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Judiciary'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 Judiciary'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.

Report on Summarized Comparative Information

We have previously audited the Judiciary's June 30, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maher Duessel

Harrisburg, Pennsylvania
September 25, 2025

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	Supreme Court	Supreme Court Justices Expenses	Judicial Council	Interbranch Commission	Rules Committees	PA Board of Law Examiners
Beginning balances (Note 3)	\$ 258,012	\$ 22,703	\$ -	\$ 26,887	\$ 52,085	\$ 29,848
Funding sources (Note 4)						
Commonwealth of Pennsylvania:						
State appropriations	21,168,000	118,000	141,000	358,000	1,595,000	-
Supplemental appropriations	517,000	-	-	-	-	-
Federal appropriations	-	-	-	-	-	-
Augmentations and fees	467,612	-	-	1,112	7,786	2,601,725
Restricted revenues						
Act 119 revenues (Note 8)	-	-	-	-	-	-
Act 49 (2009) revenues (Note 7)	-	-	-	-	-	-
Act 59/122 revenues (Note 7)	-	-	-	-	-	-
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	-	-	-
Act 64 revenues (Note 7)	-	-	-	-	-	-
Total funding sources	22,152,612	118,000	141,000	359,112	1,602,786	2,601,725
Transfers in (out) (Note 5)						
Act 49	3,540,550	-	-	-	-	-
Fiscal code	180,000	-	(80,000)	-	(100,000)	-
Fund JCS appropriation	-	-	-	-	-	-
To Commonwealth general fund	-	-	-	-	-	-
Total Transfers	3,720,550	-	(80,000)	-	(100,000)	-
Total funding sources and transfers	25,873,162	118,000	61,000	359,112	1,502,786	2,601,725
Disbursements						
Salary and benefits	22,653,502	-	-	337,601	1,268,426	1,647,004
Operating expenses	3,286,882	99,616	2,646	29,703	220,081	953,842
Grant payments	-	-	-	-	-	-
Total disbursements	25,940,384	99,616	2,646	367,304	1,488,507	2,600,846
Other uses						
Report of lapse (federal appropriations)	-	-	-	-	-	-
Ending balances (Note 3)	\$ 190,790	\$ 41,087	\$ 58,354	\$ 18,695	\$ 66,364	\$ 30,727

The accompanying notes are an integral part of these financial statements.

(Continued)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	Superior Court	Superior Court Judges Expenses	Commonwealth Court	Commonwealth Court Judges Expenses	Court Administrator	Judicial Center Operations
Beginning balances (Note 3)	\$ 365,334	\$ 56,662	\$ 881,375	\$ 38,153	\$ 845,660	\$ 1,296,882
Funding sources (Note 4)						
Commonwealth of Pennsylvania:						
State appropriations	38,761,000	183,000	24,344,000	132,000	15,515,000	1,228,000
Supplemental appropriations	1,147,000	-	122,000	-	1,496,000	121,000
Federal appropriations	-	-	-	-	-	-
Augmentations and fees	317,606	-	176,219	-	1,097,571	356,086
Restricted revenues						
Act 119 revenues (Note 8)	-	-	-	-	-	-
Act 49 (2009) revenues (Note 7)	-	-	-	-	-	-
Act 59/122 revenues (Note 7)	-	-	-	-	-	-
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	-	-	-
Act 64 revenues (Note 7)	-	-	-	-	-	-
Total funding sources	40,225,606	183,000	24,642,219	132,000	18,108,571	1,705,086
Transfers in (out) (Note 5)						
Act 49	3,200,617	-	309,000	-	2,860,729	289,322
Fiscal code	78,000	(78,000)	-	-	-	-
Fund JCS appropriation	-	-	-	-	-	-
To Commonwealth general fund	-	-	-	-	-	-
Total Transfers	3,278,617	(78,000)	309,000	-	2,860,729	289,322
Total funding sources and transfers	43,504,223	105,000	24,951,219	132,000	20,969,300	1,994,408
Disbursements						
Salary and benefits	37,962,912	-	23,039,850	-	17,785,108	1,211,797
Operating expenses	5,414,251	111,538	2,234,533	112,530	3,247,846	1,960,331
Grant payments	-	-	-	-	-	-
Total disbursements	43,377,163	111,538	25,274,383	112,530	21,032,954	3,172,128
Other uses						
Report of lapse (federal appropriations)	-	-	-	-	-	-
Ending balances (Note 3)	\$ 492,394	\$ 50,124	\$ 558,211	\$ 57,623	\$ 782,006	\$ 119,162

The accompanying notes are an integral part of these financial statements.

(Continued)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	District Court Administrators	Office of Elder Justice	Court Management Education	Judicial Education	Problem Solving Courts	UJS Security
Beginning balances (Note 3)	\$ 175,318	\$ 53,730	\$ 34,897	\$ 74,346	\$ 670,519	\$ 3,351,533
Funding sources (Note 4)						
Commonwealth of Pennsylvania:						
State appropriations	26,136,000	531,000	78,000	1,532,000	1,348,000	2,129,000
Supplemental appropriations	1,396,000	-	-	125,000	-	-
Federal appropriations	-	-	-	-	-	-
Augmentations and fees	172,884	1,112	-	-	-	-
Restricted revenues						
Act 119 revenues (Note 8)	-	-	-	-	-	-
Act 49 (2009) revenues (Note 7)	-	-	-	-	-	-
Act 59/122 revenues (Note 7)	-	-	-	-	-	-
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	-	-	-
Act 64 revenues (Note 7)	-	-	-	-	-	-
Total funding sources	27,704,884	532,112	78,000	1,657,000	1,348,000	2,129,000
Transfers in (out) (Note 5)						
Act 49	5,699,462	-	-	322,470	-	-
Fiscal code	-	-	-	-	-	-
Fund JCS appropriation	-	-	-	-	-	-
To Commonwealth general fund	-	-	-	-	-	-
Total Transfers	5,699,462	-	-	322,470	-	-
Total funding sources and transfers	33,404,346	532,112	78,000	1,979,470	1,348,000	2,129,000
Disbursements						
Salary and benefits	33,349,651	391,307	-	866,492	329,323	673,177
Operating expenses	40,824	138,956	51,482	1,154,508	556,641	171,365
Grant payments	-	-	-	-	453,094	1,424,521
Total disbursements	33,390,475	530,263	51,482	2,021,000	1,339,058	2,269,063
Other uses						
Report of lapse (federal appropriations)	-	-	-	-	-	-
Ending balances (Note 3)	\$ 189,189	\$ 55,579	\$ 61,415	\$ 32,816	\$ 679,461	\$ 3,211,470

The accompanying notes are an integral part of these financial statements.

(Continued)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	Statewide Judicial Computer System (JCS)	Integrated Criminal Justice System	UJS Cybersecurity & Disaster Recovery	Court of Common Pleas	Common Pleas Senior Judges	Magisterial District Judges
Beginning balances (Note 3)	\$ 5,563,902	\$ 695,460	\$ -	\$ (8,635,459)	\$ 842,045	\$ 703,852
Funding sources (Note 4)						
Commonwealth of Pennsylvania:						
State appropriations	-	2,522,000	3,490,000	146,913,000	4,480,000	100,274,000
Supplemental appropriations	-	-	-	5,608,000	-	2,294,000
Federal appropriations	-	-	-	-	-	-
Augmentations and fees	6,696,074	-	-	548,071	-	682,688
Restricted revenues						
Act 119 revenues (Note 8)	-	-	-	-	-	-
Act 49 (2009) revenues (Note 7)	-	-	-	-	-	-
Act 59/122 revenues (Note 7)	-	-	-	-	-	-
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	-	-	-
Act 64 revenues (Note 7)	-	-	-	-	-	-
Total funding sources	6,696,074	2,522,000	3,490,000	153,069,071	4,480,000	103,250,688
Transfers in (out) (Note 5)						
Act 49	-	-	-	21,531,043	-	6,018,430
Fiscal code	-	-	-	951,201	-	-
Fund JCS appropriation	40,103,409	-	-	-	-	-
To Commonwealth general fund	-	-	-	-	-	-
Total Transfers	40,103,409	-	-	22,482,244	-	6,018,430
Total funding sources and transfers	46,799,483	2,522,000	3,490,000	175,551,315	4,480,000	109,269,118
Disbursements						
Salary and benefits	25,500,411	596,372	155,650	166,330,778	3,820,934	109,005,962
Operating expenses	19,520,337	2,405,792	2,486,936	164,624	126,676	290,034
Grant payments	-	-	-	-	-	128,000
Total disbursements	45,020,748	3,002,164	2,642,586	166,495,402	3,947,610	109,423,996
Other uses						
Report of lapse (federal appropriations)	-	-	-	-	-	-
Ending balances (Note 3)	\$ 7,342,637	\$ 215,296	\$ 847,414	\$ 420,454	\$ 1,374,435	\$ 548,974

The accompanying notes are an integral part of these financial statements.

(Continued)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	Magisterial District Judge Education	Philadelphia Municipal Court	County Court Reimbursement (Note 9)	Senior Judge Reimbursement (Note 10)	Juror Cost Reimbursement (Note 11)	Court Interpreter County Grant (Note 12)
Beginning balances (Note 3)	\$ 76,183	\$ 72,798	\$ -	\$ -	\$ -	\$ -
Funding sources (Note 4)						
Commonwealth of Pennsylvania:						
State appropriations	878,000	10,074,000	23,136,000	1,375,000	1,118,000	2,629,000
Supplemental appropriations	-	420,000	-	-	-	-
Federal appropriations	-	-	-	-	-	-
Augmentations and fees	15,708	36,292	-	-	-	-
Restricted revenues						
Act 119 revenues (Note 8)	-	-	-	-	-	-
Act 49 (2009) revenues (Note 7)	-	-	-	-	-	-
Act 59/122 revenues (Note 7)	-	-	-	-	-	-
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	-	-	-
Act 64 revenues (Note 7)	-	-	-	-	-	-
Total funding sources	893,708	10,530,292	23,136,000	1,375,000	1,118,000	2,629,000
Transfers in (out) (Note 5)						
Act 49	-	830,322	-	-	-	-
Fiscal code	-	-	-	(367,906)	(583,295)	-
Fund JCS appropriation	-	-	-	-	-	-
To Commonwealth general fund	-	-	-	-	-	-
Total Transfers	-	830,322	-	(367,906)	(583,295)	-
Total funding sources and transfers	893,708	11,360,614	23,136,000	1,007,094	534,705	2,629,000
Disbursements						
Salary and benefits	420,449	11,309,897	-	-	-	-
Operating expenses	429,127	57,111	-	-	-	-
Grant payments	-	-	23,136,000	1,007,094	534,705	2,629,000
Total disbursements	849,576	11,367,008	23,136,000	1,007,094	534,705	2,629,000
Other uses						
Report of lapse (federal appropriations)	-	-	-	-	-	-
Ending balances (Note 3)	\$ 120,315	\$ 66,404	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

(Continued)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	Federal Court Improvement Program Grant (Note 13)	Federal Elder Justice Innovation Grant (Note 14)	Federal Stop Violence Against Women Grant (Note 15)	Access to Justice (ATJ) (Note 7)	Jen & Dave Program (Note 8)	JCS Augmentation Account (Note 7)
Beginning balances (Note 3)	\$ 441,019	\$ 1,074,461	\$ 197,520	\$ -	\$ 50,000	\$ 19,017,275
Funding sources (Note 4)						
Commonwealth of Pennsylvania:						
State appropriations	-	-	-	-	-	-
Supplemental appropriations	-	-	-	-	-	-
Federal appropriations	1,130,000	1,100,000	300,000	-	-	-
Augmentations and fees	2,579	-	-	55,636	-	-
Restricted revenues						
Act 119 revenues (Note 8)	-	-	-	-	130,387	-
Act 49 (2009) revenues (Note 7)	-	-	-	-	-	-
Act 59/122 revenues (Note 7)	-	-	-	-	-	27,408,027
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	14,693,103	-	-
Act 64 revenues (Note 7)	-	-	-	-	-	10,333,621
Total funding sources	<u>1,132,579</u>	<u>1,100,000</u>	<u>300,000</u>	<u>14,748,739</u>	<u>130,387</u>	<u>37,741,648</u>
Transfers in (out) (Note 5)						
Act 49	-	-	-	-	-	-
Fiscal code	-	-	-	-	-	-
Fund JCS appropriation	-	-	-	-	(103,409)	(40,000,000)
To Commonwealth general fund	-	-	-	-	(26,978)	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,387)</u>	<u>(40,000,000)</u>
Total funding sources and transfers	<u>1,132,579</u>	<u>1,100,000</u>	<u>300,000</u>	<u>14,748,739</u>	<u>-</u>	<u>(2,258,352)</u>
Disbursements						
Salary and benefits	752,023	360,918	-	-	-	-
Operating expenses	119,116	868,992	203,245	-	-	-
Grant payments	-	-	-	14,748,739	-	-
Total disbursements	<u>871,139</u>	<u>1,229,910</u>	<u>203,245</u>	<u>14,748,739</u>	<u>-</u>	<u>-</u>
Other uses						
Report of lapse (federal appropriations)	297,008	172,687	-	-	-	-
Ending balances (Note 3)	<u>\$ 405,451</u>	<u>\$ 771,864</u>	<u>\$ 294,275</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 16,758,923</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

STATEMENTS OF JUDICIAL OPERATIONS

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

(Continued)

	Act 49 Augmentation Account (Note 7)	Judicial Ethics Advisory Board	Judicial Conduct Board	Court of Judicial Discipline	2025 Total	2024 Total	% Change
Beginning balances (Note 3)	\$ 5,367,244	\$ 14,258	\$ 1,070,626	\$ 554,022	\$ 35,339,150	\$ 85,975,808	-58.90%
Funding sources (Note 4)							
Commonwealth of Pennsylvania:							
State appropriations	-	259,000	2,555,000	618,000	435,618,000	395,106,000	10.25%
Supplemental appropriations	-	79,000	-	-	13,325,000	-	0.00%
Federal appropriations	-	-	-	-	2,530,000	2,403,000	5.29%
Augmentations and fees	-	-	12,235	2,225	13,251,221	10,576,276	25.29%
Restricted revenues							
Act 119 revenues (Note 8)	-	-	-	-	130,387	130,772	-0.29%
Act 49 (2009) revenues (Note 7)	56,696,610	-	-	-	56,696,610	37,366,938	51.73%
Act 59/122 revenues (Note 7)	-	-	-	-	27,408,027	24,631,570	11.27%
ATJ - Act 49 and 122 revenues (Note 7)	-	-	-	-	14,693,103	14,081,519	4.34%
Act 64 revenues (Note 7)	-	-	-	-	10,333,621	10,396,136	-0.60%
Total funding sources	56,696,610	338,000	2,567,235	620,225	573,985,969	494,692,211	16.03%
Transfers in (out) (Note 5)							
Act 49	(45,013,205)	411,260	-	-	-	-	0.00%
Fiscal code	-	-	-	-	-	-	0.00%
Fund JCS appropriation	-	-	-	-	-	-	0.00%
To Commonwealth general fund	-	-	-	-	(26,978)	(30,121)	-10.43%
Total Transfers	(45,013,205)	411,260	-	-	(26,978)	(30,121)	-10.43%
Total funding sources and transfers	11,683,405	749,260	2,567,235	620,225	573,958,991	494,662,090	16.03%
Disbursements							
Salary and benefits	-	716,511	2,313,202	457,739	463,256,996	450,080,507	2.93%
Operating expenses	-	38,497	263,451	46,614	46,808,127	51,382,484	-8.90%
Grant payments	-	-	-	-	44,061,153	43,396,851	1.53%
Total disbursements	-	755,008	2,576,653	504,353	554,126,276	544,859,842	1.70%
Other uses							
Report of lapse (federal appropriations)	-	-	-	-	469,695	438,906	7.01%
Ending balances (Note 3)	\$ 17,050,649	\$ 8,510	\$ 1,061,208	\$ 669,894	\$ 54,702,170	\$ 35,339,150	54.79%

The accompanying notes are an integral part of these financial statements.

(Concluded)

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

1. Basis of Presentation

The Judicial Department of Pennsylvania, commonly referred to as the Unified Judicial System (UJS) or Judiciary, prepares its financial statements on the Commonwealth's budgetary basis of accounting, which is essentially a cash receipts and disbursements basis modified for appropriations. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

2. Scope of Financial Statements

The accompanying financial statements do not purport to show all transactions of the Judiciary. Specifically, the statements omit transactions relating to goods, services, and chambers staff statutorily provided to the Courts of Common Pleas and Magisterial District Judges by the counties of Pennsylvania. The statements do not include transactions for Supreme Court boards that do not receive appropriated funding.

The Judiciary in Pennsylvania is comprised of a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Municipal Court, and Magisterial District Courts, with the core governmental function of the delivery of fair, timely, and accessible justice to the Commonwealth's citizens. The financial activity presented in the Statements of Judicial Operations is also included within the Commonwealth of Pennsylvania's Annual Comprehensive Financial Report (ACFR) for the years ended June 30, 2025, and 2024, prepared in accordance with accounting principles generally accepted in the United States of America applicable to governments.

3. Beginning and Ending Balances

All Judiciary revenues and expenditures are ultimately processed through the Pennsylvania Treasury. The beginning and ending balances included in this financial statement represent Judiciary spending authority, by appropriation, available at the Pennsylvania Treasury. Ending balances at fiscal year-end are used to pay outstanding commitments and obligations made prior to June 30th. If applicable, spending authority available at the Pennsylvania Treasury is subject to lapse after all eligible expenditures have been made from the appropriation.

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

4. Funding Sources

The Judiciary is primarily funded, except for certain judicial appropriations described below, through annual state appropriations provided by the Commonwealth of Pennsylvania through the General Appropriations Act.

Federal Appropriations

The Judiciary receives federal grant funding to support specific Judiciary programs and initiatives. Grant funds are primarily received from the U.S. Department of Health & Human Services, the U.S. Department of Justice, and the State Justice Institute.

Augmentations and Fees

Augmentations and fees are revenues that fund certain judicial appropriations that do not receive state appropriation funding (e.g., Board of Law Examiners through exam fees) or are collected during normal Judiciary operations for services to supplement state funded appropriations (e.g., filing fees at the appellate courts, state grants or program fees to support court programs, fees charged to non-state funded entities occupying the PJC, etc.).

Supplemental Appropriations

The Judiciary received \$13,325,000 in supplemental appropriations, passed on July 11, 2024, by General Appropriation Act of 2024, effective for the fiscal year ending June 30, 2025. This additional funding was provided due to the insufficiency of the original appropriations to meet required spending through the end of the fiscal year.

5. Transfers

The Judiciary uses internal transfers among appropriations, where possible according to statute, to assist with cash flow needs of the various appropriations.

Transfers mainly consist of Act 49 (2009) surcharge fees (Note 7), Fiscal Code transfers authorized by 72 P.S. Section 1793-E and transfers from the JCS augmentation account to fund the JCS appropriation (Note 7).

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

6. Health Care Contributions

Judges and staff in active service who receive employer-paid benefits contribute 1% of gross salary and retirees contribute 1% of gross monthly pension toward the cost of health care benefits. During the fiscal years ended June 30, 2025, and 2024, total health care contributions were \$3,613,563 and \$3,234,790, respectively. These contributions were used to reduce current-year benefit costs.

7. Restricted Revenues

The Judiciary receives funding each year from dedicated restricted revenues for specific purposes. These revenue streams result from filing fees and surcharges collected by the courts (shown below) on court activities and from filings in recorder of deeds offices. Magisterial district court costs and fines provided by Act 64 of 1987 supplement the filing fees directed to JCS.

<u>Filing Fees</u>	<u>ATJ⁽¹⁾</u>	<u>JCS</u>	<u>Judiciary Operations</u>	<u>CJEA/ OAG (3)</u>	<u>Total</u>
Act 59/122 fees	\$2.00	\$8.00	N/A	N/A	\$10.00
Act 49 surcharge	4.00	N/A	\$21.25 ⁽²⁾	\$5.00	30.25
Total	<u>\$6.00</u>	<u>\$8.00</u>	<u>\$21.25</u>	<u>\$5.00</u>	<u>\$40.25</u>

- (1) AOPC distributes the funds monthly to the Interest on Lawyers' Trust Accounts (IOLTA) Board.
- (2) A \$11.25 temporary surcharge was created by Act 49 (2009) (subsequently Act 22 of 2023 applied this \$11.25 to traffic). An additional \$10 temporary surcharge was imposed by Act 126 of 2014 (subsequently Act 44 of 2017 applied this \$10.00 surcharge to traffic citations).
- (3) Criminal Justice Enhancement Account (CJEA) and Office of Attorney General (OAG) are not included in the financial statements.

The JCS Augmentation Account is a non-lapsing restricted revenue account held in the Pennsylvania Treasury. The annual Appropriation Act establishes the maximum amount that may be transferred from the account to fund the JCS appropriation. Sufficient funds must be available in the account on June 30th to fund the subsequent fiscal year JCS appropriation expenditures.

Act 49 (2009) surcharge revenues are placed in a non-lapsing restricted account at the Pennsylvania Treasury and are automatically appropriated to the Supreme Court to transfer as needed to supplement Judiciary operations. Unused Act 49 funds may be transferred

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

back to the restricted account from appropriations after all expenditures have been processed for the fiscal year.

8. Jen and Dave Program

Restricted revenues for the Jen and Dave program are derived from fees established by Act 119 of 1996. These fees are transferred annually to the Judicial Computer System (JCS) to cover the costs associated with providing criminal charge information to individuals involved in custody matters.

Act 119 requires the Judiciary transfer to the Commonwealth General Fund any balance in the restricted account that exceeds \$50,000 at fiscal year-end.

9. County Court Reimbursement

The reimbursement for costs incurred by counties in the administration and operation of the Courts of Common Pleas is based upon a statutory reimbursement rate and the number of authorized Common Pleas Court judge positions, whether filled or vacant, within a judicial district (with modifications based on population for two-county judicial districts).

Although the statutory (72 P.S. Section 1791-E) reimbursement rate per authorized judge is \$70,000 (with a higher rate paid to Philadelphia), Act 37 of 2007 (42 Pa.C.S. Section 915) provides that in the event of insufficient funding to reimburse at this rate, each county's grant is to be proportionately reduced, including the flat rate amount paid to Philadelphia.

10. Senior Judge Reimbursement

The reimbursement for senior judge support costs (42 Pa.C.S. Section 1906.1 and 71 P.S. 720.101) assists in defraying county expenses to provide suitable facilities and adequate staff to senior judges who are regularly or periodically assigned in that district and for visiting senior judges.

Reimbursement is paid at statutory rates based upon actual support provided by the county. Statute also provides that no county receives an amount greater than 20% of the total amount appropriated and that the total amount reimbursed to all counties may not

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

exceed the total funds appropriated. In the event of insufficient funding to reimburse the actual amounts requested, each county's grant is proportionately reduced to bring the total within the amount appropriated.

Statutory authority for the grant was made permanent in 2017 by Acts 40 (Administrative Code) and 49 (Judicial Code).

11. Juror Cost Reimbursement

Juror cost reimbursements to counties (42 Pa.C.S. Section 4561(b), et seq.) are based on 80% of certain juror costs. Only costs related to juror participation in a trial or grand jury proceeding after the first three days are reimbursed by the Commonwealth. Costs for multi-county grand juries are paid by the Attorney General's Office.

12. Court Interpreter County Grant

The Pennsylvania Interpreter Act (Act 172 of 2006, 42 Pa.C.S. Section 4404, et seq.), and the related regulations require that interpreters be provided for deaf and limited English proficient court users; counties bear most of these costs. The grant's purpose is to defray the expense incurred by the counties in complying with the language access requirements of Title VI of the federal Civil Rights Act and the Pennsylvania Interpreter Act and regulations.

The grant reimburses counties for costs paid for eligible interpretation services in the prior calendar year (e.g., the fiscal year 2024-25 grant reimbursed 2024 costs); no county is paid more than 30% of the total appropriation, and all grants paid are proportionately reduced to not exceed the appropriated funding.

13. Federal Court Improvement Program Grant

The Judiciary's Court Improvement Program (CIP) is financed primarily by federal grant funds from the U.S. Department of Health and Human Services. These federal grant funds are provided to state court systems to conduct assessments of their foster care, adoption laws, and judicial processes, and to develop and implement a plan for system improvement.

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

A summary of these federal grant funds with a state spending match requirement follows:

<u>Grant term</u>	<u>Federal funds</u>	<u>State match</u>
October 1, 2021 through September 30, 2023	\$ 827,383	\$ 275,794
October 1, 2022 through September 30, 2024	832,993	277,664
October 1, 2023 through September 30, 2025	835,694	278,565
October 1, 2024 through September 30, 2026	814,359	271,453

14. Federal Elder Justice Innovation Grant

The federal office of Administration for Community Living (ACL) awarded a three-year grant for Elder Justice Innovation beginning September 1, 2022 to assess and implement improvements in the handling of adult guardianship cases. The grant award amount was \$843,331 for the first year, \$983,982 for the second year, and \$997,086 for the third year. A total of \$258,647 was expended in year one, so the ACL authorized a \$584,684 carryover resulting in a revised budget of \$1,568,666 in year two. A total of \$822,986 was expended in year two, so the ACL authorized a \$745,680 carryover resulting in a revised budget of \$1,742,766 in year three in addition to a no-cost extension through August, 31, 2026.

15. Federal Stop Violence Against Women Grant

The Pennsylvania Commission on Crime and Delinquency (PCCD) has been awarding the Judiciary subgrants of U.S. Department of Justice "STOP Violence Against Women" funds. Congress mandates that 5% of these funds be spent by or on behalf of courts, and changes in federal law now require the funds to be granted directly by PCCD to the Judiciary on a calendar-year basis. Grant awards were \$267,260 and \$272,154 for calendar year 2025 and 2024, respectively.

16. County Court Employees Transferred to State Service

As a result of Act 12 of 1999, certain county court staff were transferred to state service effective January 1, 2000, and the Commonwealth assumed responsibility for the payment of ongoing salaries and benefits. The counties paid the Commonwealth \$2,766,717 for the

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

accrued leave balances associated with these former county employees as required by Act 12 of 1999.

The payments received from the counties were placed in a special fund created at the Pennsylvania Treasury known as the Unified Judicial System Transferred County-Level Administrator Leave Fund. The money in this fund, including the investment income it earns, is applied toward the cost of leave payments for transferred employees upon termination. As of June 30, 2025, only six employee's leave payouts remain to be paid from this fund.

A summary of this financial activity follows:

	Year Ended June 30	
	2025	2024
Beginning fair value	\$ 414,388	\$ 453,705
Interest earned	20,087	23,795
Payouts to transferred County Court Staff	-	(63,112)
Ending fair value	<u>\$ 434,475</u>	<u>\$ 414,388</u>

The above financial activity is not reflected in the accompanying financial statements. The funds, which are invested in the Pennsylvania Treasury's liquid pool consisting of fixed income and cash equivalents, returned 4.76% and 5.46% in fiscal years ended June 30, 2025, and 2024, respectively.

Act 12 provides that if money in the fund does not adequately provide for full payment of the counties' share of leave payments, the amount necessary to fully fund the counties' share of leave payments shall become an obligation of the Judiciary. If a fund surplus results after all required leave payments for transferred administrators are made, Act 12 requires that the surplus be transferred to the Commonwealth's General Fund.

17. Pension

The Judiciary contributes to the Pennsylvania State Employees' Retirement System (SERS), which the Commonwealth established in 1923 under the provisions of Public Law 858, No. 331. SERS is the administrator of mandatory-participation retirement plans to provide retirement benefits for employees of state government and certain independent agencies. Employee's eligibility for the various retirement plans administered by SERS is dependent

JUDICIAL DEPARTMENT OF PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

upon when employees first began state employment. Information on the various retirement plans along with the associated eligibility criteria and contribution rates is available online at www.sers.pa.gov. SERS, a component unit of the Commonwealth, is included in the Commonwealth's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. In addition, as a pension trust fund, SERS issues an ACFR that includes financial statements and required supplementary information.

The total employer pension contribution costs for the Judiciary for the fiscal years ended June 30, 2025, and 2024 amounted to \$97,944,000 and \$101,086,994, respectively.

18. Other Postemployment Benefits

Other postemployment benefits (OPEB) consist of medical, prescription drug, dental, vision, and long-term care insurance provided to qualifying annuitants. The Judiciary funds OPEB, under a single employer plan, on a pay-as-you-go basis. The total OPEB expenses for the fiscal years ended June 30, 2025 and 2024 amounted to \$31,520,478 and \$27,754,134, respectively.

19. Funding Challenges

Since the enactment of Act 49 in 2009, the Judiciary has relied on Act 49 surcharge revenues to supplement state funding for general court operations. The statutory authority to collect fee surcharges under this legislation were set to expire on July 31, 2025. Act 49 was reauthorized on June 30, 2025 to extend the surcharge through December 31, 2027.

Act 42 of 2018 nearly eliminates Act 64 as a source of JCS funding by redirecting \$15 million from the annual Act 64 deposit beginning June 2019 and each year thereafter, to the School Safety and Security Fund. To-date, Act 42's revenue diversion from JCS to this Fund has taken place in three years (June 2019 through June 2021). Through statutory suspensions, Act 42 does not divert Act 64 revenues from JCS from June 2022 through June 2026.