

St. John the Evangelist

ANNUAL FINANCIAL REPORT



September 2012

Dear Parishioner,

Enclosed are the annual financial reports for St. John the Evangelist Parish, prepared by our Parish Finance Council. We encourage you to review the Finance Council's cover letter and the accompanying financial statements. As always, you are welcome to contact parish staff at the rectory or a member of our Finance Council with any questions.

Our Parish operates on a fiscal year that begins July 1 and ends June 30. For the fiscal year ended June 30, 2012, our weekly Offertory and Annual Appeal (formerly called the Grand Annual) collections again provided almost 90% of total revenue. We showed a deficit this past year of only \$1,761, which is after spending \$52,366 on previously deferred capital projects badly needed at the church. In fiscal year 2012, we had budgeted \$40,000 for these deferred capital projects and almost broke even for the year as a result of lower snow removal costs. In fiscal 2011, we showed a deficit of \$82,687, which included almost \$120,000 of building repairs and deferred facility upkeep.

Now that we are more than ten years beyond the church's renovation, the Buildings & Grounds Committee prepared an extensive review of the parish's physical plant. The review identified over \$500,000 of capital projects that should be considered in the coming years, and prioritized the projects according to several criteria. The \$52,366 spent this past year allowed us to address all of the top priorities identified in 2011. However, we have already spent \$25,000 in this new fiscal year (FY2013) on our facilities due to an emergency replacement of the sewer pipe at the Parish Center and have received a quote for over \$10,000 of repairs to the heating, ventilation and air conditioning equipment. Our Parish Finance Council will continue to consider how best to fund these projects along with over \$100,000 in repairs identified to the exterior of the church.

For the current 2012-13 fiscal year, our balanced budget is based on increases of 1.3% in the combined weekly Offertory and the Annual Appeal collections over FY2012 actual. Our Parish's budget for 2012 is also shown in the attached financials. As you plan for the year ahead, please reflect carefully on what you are able to give to support St. John Parish and its ministries. As you know, one of these ministries is Saint John School and the Finance Council has included in this annual report the fiscal state of the school and the 2013 school budget for your review.

Although financial reporting by its nature looks retroactively, we distribute these reports each September as our School and Religious Education programs are beginning new years and Parish committees are reconvening after the summer break. Please stay informed by reading the bulletin and regularly checking our website www.StJohnWellesley.org. Consider a new way to get involved and remember that your participation gives strength to us all.

We look forward to the year ahead. Thank you for your continued support of St. John the Evangelist Parish!

Abundant blessings,

Reverend Thomas F. Powers
Pastor

September 2012

Reverend Thomas F. Powers
Pastor
St. John the Evangelist Parish
9 Glen Road
Wellesley, MA 02481

PARISH Financial Report for the Fiscal Year Ended June 30, 2012

Dear Father Tom,

We have reviewed the following PARISH financial statements as of June 30, 2012:

1. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2011 and 2012; and budgets for the June 30, 2012 and 2013 fiscal years)
2. **Statement of Financial Position** or balance sheet (as of June 30, 2011 and 2012)

Highlights and explanatory comments for our Parish financials are listed below.

- **For the fiscal year ended June 30, 2012**, the Parish reported a deficit of \$1,761 which is after \$52,366 of deferred capital projects. In fiscal year 2011, the Parish spent \$119,289 on other deferred capital projects. We are expecting significant capital expenditures in the coming years as we address our aging physical structure.
- **Revenue** sources are grouped together at the top of the Statement of Revenues and Expenditures. The weekly Offertory contributed \$423,856 which was almost \$20,000 below our fiscal year 2012 Offertory budget, but only \$10,000 below FY2011 actual. The Annual Appeal (contributing \$438,986 last year) was slightly above our 2012 Annual Appeal budget by approximately \$5,000, and flat to the FY2011 actual. In these very difficult economic times, it is a true testament to the generosity of our parishioners and the strength of the Parish in how generously all responded in 2012.
- **Operating Expenses** dropped by \$36,694, or 3.8%, in the 12-month period ending June 30, 2012 compared to actual spending for the same period in 2011. Almost \$19,000 related to lower spending on snow removal in FY2012 compared to FY2011 and almost \$10,000 related to lower compensation-related costs compared to FY2011.

- **Capital Expenditures** were \$52,366 for last year and were less than half the \$119,289 spent in FY2011. The Parish Finance Council has continued to fund certain major capital projects identified in the Buildings & Grounds report from 2011 (church front step repairs; new gutters and wall & ceiling repairs to address water damage on Ledyard side of church; repairs to front entrance of the Rectory; and windows and bathroom remodel in Parish Center). Additional capital projects remain and we have budgeted \$45,000 for physical plant repairs in FY2013.
- The **FY2013 Budget** projects breakeven results and assumes a modest increase in FY2013 spending of 1.8% compared to actual spending in FY2012, but no material change in spending when compared to the FY2012 budget – a \$3,800 reduction. This level of spending includes a capital expenditure and reserve allowance of \$45,000 and assumes a 1.3% increase in the combined weekly Offertory collection and the Annual Appeal. In summary, most budgeted items are remaining the same as budgeted for spending in FY2012.
- **Statement of Financial Position as of June 30, 2012.** The financial statement of St. John the Evangelist Parish (the Parish) includes the accounts of the Central Office of the Parish, which include the operation of the Rectory, the Church and the Parish Center. St. John the Evangelist School (the School) is a mission of the Parish. The assets and liabilities of the School are not included in these financial statements and are attached separately and discussed in greater detail on subsequent pages. The unaudited financial statement of the Parish has been prepared on a basis of accounting that is not in accordance with generally accepted accounting principles, but is consistent with prior year presentations. The property, plant and equipment of the Parish are not reported on the books of the Parish, and all major improvements and repairs are expensed when incurred, which practice is not in accordance with generally accepted accounting principles. This has been done over the years to more accurately reflect the annual cash costs to maintain and upkeep the property and facilities in the Parish.

[Continued on the next page is a discussion
of the financial statements for the School at St. John]

SCHOOL Financial Report for the Fiscal Year Ended June 30, 2012

We present the following SCHOOL unaudited financial statements as of June 30, 2012:

3. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2011 and 2012; and budgets for the June 30, 2012 and 2013 fiscal years)
4. **Statement of Financial Position** or balance sheet (as of June 30, 2011 and 2012)

Highlights and explanatory comments for the School financials are listed below.

- **For the fiscal year ended June 30, 2012**, the School reported a surplus of \$83,923 which is after spending \$7,454 on capital improvements to the facilities. The \$83,923 surplus was put toward the School's Reserve account which represents funds typically designated for future capital expenditures and unplanned maintenance and repairs.
- **Revenue** sources are grouped together at the top of the Statement of Revenues and Expenditures and totaled \$1,183,397 for the 12-month period ending June 30, 2012. The School's major sources of revenue are: (i) funds for a child attending the School (tuition, registration, and after school programs), which amounted to \$985,110, or over 83% of total revenues, (ii) School fund raising, which amounted to \$75,000, or over 6%, and (iii) the Parish's subsidy of \$98,000, or over 8%.
- **Operating Expenses** were under budget by \$86,754, or 7%, in the 12-month period ending June 30, 2012 but is not expected to be repeated in fiscal year 2013.
- **Capital Expenditures** were \$7,454 for the 12-month period ending June 30, 2012 to cover some work on the Ledyard Street entrance steps along with a new door and associated hardware for one of the rooms. The looming capital expenditure for the School is the replacement of the two boilers that heats the building. The replacement of the boilers is not budgeted to occur in the coming year but the school has been accruing funds to cover a portion of the cost.

So concludes the financial review for the Parish's financial statements and the School's financial statements. Attached are the actual and 2013 budgeted financial statements for the Parish and the actual and 2013 budgeted financial statements for the School.

Respectfully submitted by the Finance Council, St. John the Evangelist Parish

Stephen St. Thomas, Chair

Parish Finance Council Members:

Sandy Avellone, Brian Boyce (Vice Chair), Joe Creonte, George Eldridge, Tom Fontaine, Rich Green, Lucy Kapples, Bob McDonnell, Anne Stabnick (secretary), Stephen St. Thomas (Chair), and David Spinale.

ST. JOHN THE EVANGELIST PARISH
Statement of Revenue and Expenditures
For the Year Ending June 30

	2011 Actual	2012 Budget	2012 Actual	2013 Budget
<u>REVENUE</u>				
Offertory	\$434,342	\$442,500	\$423,856	\$430,300
Annual Appeal	438,616	433,850	438,986	443,700
Sacramental Offerings	13,110	15,000	12,806	14,200
Gifts/Donations	39,229	30,000	27,444	24,800
Religious Education	60,318	56,125	46,875	54,000
Interest Income	8,342	8,100	4,723	8,100
Miscellaneous	9,204	10,000	25,780	16,640
TOTAL REVENUE	<u>\$1,003,161</u>	<u>\$995,575</u>	<u>\$980,470</u>	<u>\$991,740</u>
<u>OPERATING EXPENSES</u>				
Salary and Salary Related:				
Salary and Benefits	\$595,545	601,901	\$586,014	598,985
Total Salary and Salary Related	<u>\$595,545</u>	<u>\$601,901</u>	<u>\$586,014</u>	<u>\$598,985</u>
Other Operating Expenses				
Administrative	\$41,824	37,200	\$38,002	37,800
Music & Liturgical	26,214	22,600	19,675	20,200
Religious Education	13,997	20,560	19,439	20,300
Rectory & Household	41,332	37,539	30,900	32,620
Property Maintenance	130,571	113,690	111,705	112,775
Cathadaticum	0	4,000	4,000	4,000
Chaplaincy	5,754	5,985	5,681	6,500
School	98,000	98,000	98,000	98,000
Miscellaneous	13,322	14,100	16,449	15,560
Total Other Operating Expense	<u>\$371,014</u>	<u>\$353,674</u>	<u>\$343,851</u>	<u>\$347,755</u>
TOTAL OPERATING EXPENSES	<u>\$966,559</u>	<u>\$955,575</u>	<u>\$929,865</u>	<u>\$946,740</u>
Balance before Capital Expenditures	36,602	40,000	50,605	45,000
Capital Expenditures	119,289	40,000	52,366	45,000
Balance after Capital Expenditures	(\$82,687)	\$0	(\$1,761)	\$0
Net Income/(Loss)	(\$82,687)	\$0	(\$1,761)	\$0

**St. John the Evangelist Parish
Statement of Financial Position
June 30, 2012**

	June 30, 2011	June 30, 2012
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	601,746	605,676
TEMPORARILY RESTRICTED	126,752	145,875
PERMANENTLY RESTRICTED	30,988	31,068
DEPOSIT HELD FOR SCHOOL	<u>-15,000</u>	<u>-15,000</u>
TOTAL ASSETS	<u>\$744,486</u>	<u>\$767,619</u>
 LIABILITIES		
ACCOUNTS PAYABLE	-3,726	5,124
OTHER CURRENT LIABILITIES	6,620	4,798
DEPOSITS FOR RELIGIOUS EDUCATION	<u>33,379</u>	<u>31,820</u>
TOTAL LIABILITIES	36,273	41,742
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR ORGAN	67,491	68,528
DESIGNATED FOR CAPITAL EXPENDITURES and MAJOR REPAIRS	115,713	116,012
UNDESIGNATED	<u>367,269</u>	<u>364,394</u>
TOTAL UNRESTRICTED	550,473	548,934
TEMPORARILY RESTRICTED	126,752	145,875
PERMANENTLY RESTRICTED	<u>30,988</u>	<u>31,068</u>
TOTAL NET ASSETS	<u>708,213</u>	<u>725,877</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$744,486</u>	<u>\$767,619</u>

ST. JOHN THE EVANGELIST SCHOOL
Statement of Revenue and Expenditures
For the Year Ending June 30

	2011 Actual	2012 Budget	2012 Actual	2013 Budget
REVENUE				
Tuition and Stay Day	\$868,972	\$890,600	\$915,361	\$964,520
Registration	40,000	76,000	34,300	86,000
After School Program	39,723	40,000	35,449	38,000
Fees - Miscellaneous	3,140	4,300	3,760	2,600
Gifts/Donations	14,142	2,200	2,289	2,000
Interest Income	2,370	2,800	1,398	2,100
Parish Transfer	98,000	98,000	98,000	98,000
School Council Fundraising Contribution	75,000	75,000	75,000	75,000
RCAB Support	16,422	14,000	13,047	14,000
Miscellaneous	8,794	6,900	4,793	6,900
TOTAL REVENUE	\$1,166,563	\$1,209,800	\$1,183,397	\$1,289,120
OPERATING EXPENSES				
Salary and Salary Related:				
Exempt	\$719,674	\$856,901	\$767,352	\$870,245
Non Exempt	107,356	107,723	109,675	113,251
Contract Labor	20,928	15,000	13,472	12,500
Total Salary and Salary Related	\$847,958	\$979,624	\$890,499	\$995,996
Other Operating Expenses				
Administrative	\$15,765	\$20,000	\$16,033	\$15,300
Texts, Instructional & Teaching Supplies	34,581	25,000	25,327	25,000
Professional Memberships and Dues	3,240	4,500	5,772	9,500
Property Maintenance	134,536	126,350	136,099	136,200
Technology	17,957	10,000	7,362	8,000
Miscellaneous	15,382	13,300	10,928	23,200
School Council Expense	*	*	*	*
Total Other Operating Expense	\$221,461	\$199,150	\$201,521	\$217,200
TOTAL OPERATING EXPENSES	\$1,069,419	\$1,178,774	\$1,092,020	\$1,213,196
Balance before Capital Expenditures	97,144	31,026	91,377	75,924
Capital Expenditures	0	30,000	7,454	25,000
Balance after Capital Expenditures	\$97,144	\$1,026	\$83,923	\$50,924
Net Income/(Loss)	\$97,144	\$1,026	\$83,923	\$50,924

**St. John the Evangelist School
Statement of Financial Position**

June 30, 2012

	June 30, 2011	June 30, 2012
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	979,509	1,081,738
ACCOUNTS RECEIVABLE & OTHER CURRENT ASSETS	15,000	24,800
TOTAL ASSETS	\$994,509	1,106,538
LIABILITIES		
ACCOUNTS PAYABLE	-5,253	-1,455
ACCRUED PAYROLL	103,340	0
DEPOSITS FOR TUITION/REGISTRATION(2011-2012)	403,779	487,467
TOTAL LIABILITIES	501,866	486,012
NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR TREES & TRIMMINGS	2,781	2,942
DESIGNATED FOR SCRIP	9,297	11,409
DESIGNATED FOR CAPITAL EXP & MAJOR REPAIR	232,539	232,563
UNDESIGNATED	248,026	373,612
TOTAL UNRESTRICTED	492,643	620,526
TOTAL NET ASSETS	492,643	620,526
TOTAL LIABILITIES & NET ASSETS	994,509	1,106,538