

St. John the Evangelist

ANNUAL FINANCIAL REPORT



September 2014

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. In an effort for transparency, the Parish Finance Council has also included the financial results for St. John School and its 2014 budget, although they are separate from our Parish financials. The money raised in the Capital Campaign is included on our Parish balance sheet as "Restricted Capital Campaign". 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, 2014, our weekly Offertory and Annual Appeal (formerly called the Grand Annual) collections provided almost 85% of total revenue. The small surplus was the result of an unexpected bequest offsetting capital campaign costs, lower receipts and increased operating expenses for administrative support.

As many of you know, we completed the fund raising of our capital campaign this past spring. Due to your immense generosity, we exceeded our goal and raised over \$1.5 million. The money will be spent exclusively on the necessary repairs and needed upkeep of our Parish buildings as identified in 2011 by the Buildings & Grounds Committee's extensive review of the parish's physical plant. Please note that the move toward a Parish Collaborative will not affect these capital improvements – the physical church and the Parish's finances will continue to be managed and maintained separate from St. Paul Parish.

For the current 2014-15 fiscal year, our balanced budget assumes that the combined weekly Offertory and the Annual Appeal collections will remain basically the same versus last year and will cover the routine expenses that we, as a parish, incur. As you plan for the year ahead, we encourage you to reflect carefully on what you are able to give to support St. John Parish and its ministries. We also ask you to consider enrolling in our Parish Pay program, our on-line payment system, as this helps our financial planning and mitigates significant declines in the weekly offertory associated with snow storms, holidays and summer vacations.

Although we will be reaching out for your financial support, we ask you to support the good works of the Parish in whatever way you can. We have lots of ministries and ways to be involved. Please stay informed by reading the bulletin and regularly checking our website www.stjohnwellesley.org for Parish news and service opportunities. As St. Francis reminds us, it is in giving that we receive.

In 2015, St. John's celebrates two significant milestones in the history of our Parish: May is the 140th anniversary of the first mass celebrated in our church, and November is the 125th anniversary of the founding of our parish. Our goal is to make these anniversaries a parish-wide series of spiritual, historical, and social events that honor our past, celebrate the present, and welcome the promise of our future. We welcome your ideas and participation in the planning of these events; please contact the Anniversary Committee with your thoughts at anniversaries@stjohnwellesley.org. And be sure to watch the bulletin for upcoming celebrations over the next year. We look forward to celebrating with you!

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 25, 2014

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, 2014

Dear Father Tom,

We have reviewed the following PARISH unaudited financial statements as of June 30, 2014:

1. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2013 and 2014; and budgets for the June 30, 2014 and 2015 fiscal years)
2. **Statement of Financial Position** or balance sheet (as of June 30, 2013 and 2014)

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

- **For the fiscal year ended June 30, 2014**, the Parish reported a surplus of \$4,307. With the Capital Campaign successfully raising over \$1.5 million, the Parish can address many of the physical plant issues without using funds from the annual operating budget.
- **Revenue** sources are grouped together at the top of the Statement of Revenues and Expenditures. Despite our Capital Campaign fund raising efforts last year, both the weekly Offertory and the Annual Appeal came in only slightly lower than budgeted and only -3% versus FY2013 actual -- a true testament to the generosity of our parishioners and the strength of the Parish. Specifically, the weekly Offertory contributed \$448,640 and the Annual Appeal contributed \$407,979.
- **Operating Expenses** increased by \$57,489, or 5.9%, in the 12-month period ending June 30, 2014 compared to actual spending for the same period in fiscal year 2013. Almost \$53,000, or over 90% of the total increase is related to one-time costs to pay for implementing the Capital Campaign.
- **Capital Expenditures.** While we budgeted \$45,000 of capital expenditures for fiscal year 2014, total capital expenditures from our operating budget totaled zero dollars due to the success of the Capital Campaign. We anticipate in future years the bulk of maintenance and capital expenditures to be paid for by funds raised in the Capital Campaign.

- The **FY2015 Budget** projects breakeven results as in prior years and a decrease in FY2015 spending of \$46,141 compared to actual spending in FY2014, largely accounted for by the one-time costs of the Capital campaign in 2014. In summary, most budgeted items are remaining the same as budgeted for spending in FY2014 with the exception of capital expenditures that have been removed and will be paid for with funds from the Capital Campaign.
- **2013-2014 Capital Campaign.** We kicked off the Capital Campaign a year ago and successfully received financial commitments of \$1,528,843. Those commitments can be paid over time and as of June 30, 2014 we have received \$815,054 of those commitments, and spent approximately \$111k on the Church exterior project. We expect to receive payment of those remaining commitments in the coming years and will use the money received exclusively to pay for capital expenditures and repairs to our buildings and properties.
- **Statement of Financial Position as of June 30, 2014.** 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, the Parish Center and funds raised (less any spent) for the Capital Campaign. 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, 2014

We present the following SCHOOL unaudited financial statements as of June 30, 2014:

3. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2013 and 2014; and budgets for the June 30, 2014 and 2015 fiscal years)
4. **Statement of Financial Position** or balance sheet (as of June 30, 2013 and 2014)

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

- **For the fiscal year ended June 30, 2014**, the School reported a surplus of \$149,231. The \$149,231 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 \$1,418,135 for the 12-month period ending June 30, 2014. 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 \$1,200,300, or almost 85% of total revenues, (ii) School fund raising, which amounted to \$126,610, or almost 9%, and (iii) the Parish's subsidy of \$50,000, or 3.5%.
- **Operating Expenses** were under budget by \$26,011, or 2.0%, in the 12-month period ending June 30, 2014 but is not expected to be repeated in fiscal year 2015. The FY2015 budget for operating expenses is estimated at \$1.3 million and just \$8,548 below FY2014 budgeted amount.
- **Capital Expenditures** were zero dollars for the 12-month period ending June 30, 2014 but has been budgeted at \$20,000 for FY2015 and that is similar to the amount budgeted in FY2014.

Attached are the 2013 and 2013 actual and 2014 and 2015 budgeted financial statements for the Parish and the School.

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

Stephen St. Thomas, Chair

Parish Finance Council Members:

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

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

	2013 Actual	2014 Budget	2014 Actual	2015 Budget
<u>REVENUE</u>				
Offertory	\$433,663	\$428,702	\$448,640	\$432,000
Annual Appeal	449,953	444,399	407,979	400,000
Sacramental Offerings	11,140	14,000	14,142	14,000
Gifts/Donations	32,379	36,800	86,605	38,400
Religious Education	53,929	56,455	42,804	46,700
Interest Income	4,833	7,500	3,348	3,700
Miscellaneous	2,500	3,500	20,960	5,000
Catholic Appeal Rebate	-	0	4,431	0
TOTAL REVENUE	<u>\$988,397</u>	<u>\$991,356</u>	<u>\$1,028,909</u>	<u>\$939,800</u>
<u>OPERATING EXPENSES</u>				
Salary and Salary Related:				
Salary and Benefits	\$600,240	603,794	\$621,937	619,068
Total Salary and Salary Related	<u>\$600,240</u>	<u>\$603,794</u>	<u>\$621,937</u>	<u>\$619,068</u>
Other Operating Expenses				
Administrative	\$51,130	39,970	\$96,314	42,900
Music & Liturgical	19,586	20,100	24,300	20,950
Religious Education	21,753	22,480	20,387	20,000
Rectory & Household	34,967	35,200	39,460	37,890
Property Maintenance	121,717	112,890	109,848	89,430
Cathadraticum/Parish Tithe	0	46,272	46,274	44,012
Chaplaincy	5,895	0	0	0
School	98,000	50,000	50,000	50,000
Miscellaneous	13,825	15,650	16,082	15,550
Total Other Operating Expense	<u>\$366,873</u>	<u>\$342,562</u>	<u>\$402,665</u>	<u>\$320,732</u>
TOTAL OPERATING EXPENSES	<u>\$967,113</u>	<u>\$946,356</u>	<u>\$1,024,602</u>	<u>\$939,800</u>
Balance before Capital Expenditures	21,284	45,000	4,307	0
Capital Expenditures	62,870	45,000	0	0
Balance after Capital Expenditures	(\$41,586)	\$0	\$4,307	\$0
Surplus/(Deficit)	(\$41,586)	\$0	\$4,307	\$0

**St. John the Evangelist Parish
Statement of Financial Position
June 30, 2014**

	2013	2014
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	473,350	501,480
RESTRICTED - CAPITAL CAMPAIGN	0	703,954
RESTRICTED TEMPORARILY	217,700	220,634
RESTRICTED PERMANENTLY	31,129	31,176
ACCOUNTS RECEIVABLE	<u>6,088</u>	<u>6,450</u>
TOTAL ASSETS	<u><u>\$728,267</u></u>	<u><u>\$1,463,694</u></u>
 LIABILITIES		
ACCOUNTS PAYABLE and OTHER CURRENT LIABILITIES	3,992	10,526
DEPOSITS	<u>43,949</u>	<u>48,325</u>
TOTAL LIABILITIES	47,941	58,851
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR CAPITAL EXPENDITURES	116,240	116,415
UNDESIGNATED	315,257	<u>332,664</u>
TOTAL UNRESTRICTED	<u>431,497</u>	449,079
RESTRICTED		
CAPITAL CAMPAIGN	-	703,954
TEMPORARILY	217,700	220,634
PERMANENTLY	<u>31,129</u>	<u>31,176</u>
TOTAL RESTRICTED	248,829	955,764
TOTAL NET ASSETS	<u>680,326</u>	<u>1,404,843</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$728,267</u></u>	<u><u>\$1,463,694</u></u>

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

	2013 Actual	2014 Budget	2014 Actual	2015 Budget
REVENUE				
Tuition and Stay Day	\$1,005,535	\$971,750	\$1,100,449	\$1,054,300
Registration	92,000	77,000	80,156	\$80,000
After School Program	32,694	34,000	19,725	25,000
Fees - Miscellaneous	4,050	3,600	4,800	4,500
Gifts/Donations	2,595	1,500	16,809	2,500
Interest Income	982	1,850	634	700
Parish Transfer	98,000	50,000	50,000	50,000
School Council Fundraising Contribution	75,000	125,000	126,610	90,000
RCAB Support	18,892	12,000	13,479	14,000
Miscellaneous	7,030	4,900	5,473	4,800
TOTAL REVENUE	\$1,336,778	\$1,281,600	\$1,418,135	\$1,325,800
OPERATING EXPENSES				
Salary and Salary Related:				
Exempt	\$868,475	\$931,115	\$905,760	\$950,467
Non Exempt	91,210	88,000	88,397	89,300
Contract Labor	15,496	14,000	16,889	13,500
Total Salary and Salary Related	\$975,181	\$1,033,115	\$1,011,046	\$1,053,267
Other Operating Expenses				
Administrative	\$14,114	\$18,400	\$18,738	\$19,000
Texts, Instructional & Teaching Supplies	32,221	59,000	40,750	42,000
Professional Memberships and Dues	2,928	8,500	8,957	8,500
Property Maintenance	140,616	133,200	140,717	137,100
Technology	15,078	33,000	21,300	10,000
Miscellaneous	11,859	9,700	27,396	16,500
School Council Expense	*	*	*	*
Total Other Operating Expense	\$216,816	\$261,800	\$257,858	\$233,100
TOTAL OPERATING EXPENSES	\$1,191,997	\$1,294,915	\$1,268,904	\$1,286,367
Balance before Capital Expenditures	144,781	-13,315	149,231	39,433
Capital Expenditures	10,632	25,000	0	20,000
Balance after Capital Expenditures	\$134,149	(\$38,315)	\$149,231	\$19,433
Surplus/(Deficit)	<u>\$134,149</u>	<u>(\$38,315)</u>	<u>\$149,231</u>	<u>\$19,433</u>

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

June 30, 2014

	2013	2014
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	1,243,890	1,216,787
ACCOUNTS RECEIVABLE & OTHER CURRENT ASSETS	<u>15,000</u>	<u>15,000</u>
TOTAL ASSETS	<u><u>\$1,258,890</u></u>	<u><u>1,231,787</u></u>
 LIABILITIES		
ACCOUNTS PAYABLE	0	0
ACCRUED PAYROLL	0	0
DEPOSITS FOR TUITION/REGISTRATION(2014-2015)	<u>499,373</u>	<u>427,237</u>
TOTAL LIABILITIES	499,373	427,237
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR TREES & TRIMMINGS	12,757	9,114
DESIGNATED FOR SCRIP	11,030	12,535
DESIGNATED FOR CAPITAL EXP & MAJOR REPAIR	232,586	232,609
UNDESIGNATED	<u>503,144</u>	<u>550,292</u>
TOTAL UNRESTRICTED	759,517	804,550
TOTAL NET ASSETS	<u>759,517</u>	<u>804,550</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>1,258,890</u></u>	<u><u>1,231,787</u></u>