

St. John the Evangelist

ANNUAL FINANCIAL REPORT



October 2015

Dear Parishioner,

Thank you for your warm welcome and support extended to me since my arrival in June. 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 2015 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, 2015, our weekly Offertory and Annual Appeal (formerly called the Grand Annual) collections provided almost 82% of total revenue. The small surplus we realized in FY2015 was primarily the result of an increase in weekly Offertory giving, which is a reflection of your generous commitment to this parish.

As many of you know, we are in the redemption phase of our capital campaign. 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 transition to the Parish Collaborative this past June does 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 2015-16 fiscal year, our balanced budget assumes that the combined weekly Offertory and the Annual Appeal collections will remain basically the same on average versus prior years 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 are reaching out for your financial support, we ask you to support the good works of the Parish in whatever way you can. We have an abundance 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.

In November 2015, St. John's celebrates the 125th anniversary of the founding of our parish. This momentous occasion gives us the opportunity to honor our past, celebrate the present, and welcome the promise of our future.

We look forward to the year ahead. Thank you for your continued support of St. John the Evangelist Parish! I would also like to thank the members of the Finance Council for their time and valuable advice.

May God bless you and your family.



Reverend Kevin M. Sepe, Pastor

November 3, 2015

Reverend Kevin M. Sepe
Pastor
St. John the Evangelist Parish
9 Glen Road
Wellesley, MA 02481

PARISH Financial Report for the Fiscal Year Ended June 30, 2015

Dear Father Sepe,

We have reviewed the following PARISH unaudited financial statements as of June 30, 2015:

1. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2014 and 2015; and budgets for the June 30, 2015 and 2016 fiscal years)
2. **Statement of Financial Position** or balance sheet (as of June 30, 2014 and 2015)

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

- **For the fiscal year ended June 30, 2015**, the Parish reported a surplus of \$23,144 when excluding contributions to the Capital Campaign and excluding expenditures from the Capital Campaign to repair the Parish buildings.
- **Revenue** sources are grouped together at the top of the Statement of Revenues and Expenditures. Despite our Capital Campaign fund raising efforts last year, the Offertory came in higher than budgeted and 7% above the FY2014 actual -- a true testament to the generosity of our parishioners and the strength of the Parish. The Annual Appeal collection was just at the budgeted amount. Specifically, the Offertory contributed \$478,431 and the Annual Appeal contributed \$396,189.
- **Operating Expenses** increased by \$18,757, or 1.8%, in the 12-month period ending June 30, 2015 compared to actual spending for the same period in fiscal year 2014. This increase is due to a combination of property repairs and maintenance from last winter's storms as well as miscellaneous expenses associated with the parish anniversary and pastor retirement. The increase was offset by a \$20,028 reduction in administrative costs.
- **Capital Campaign.** The final total received financial commitments to the Capital Campaign equaled \$1,588,318. Those commitments can be paid over time and as of June 30, 2015 we have received \$1,148,786 against those commitments. From the funds contributed to the Capital Campaign, we spent approximately \$660,000 through June 30, 2015 and continue to do work on the heating and ventilation system in the church in the current fiscal year (FY2016). 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.

- The **FY2016 Budget** projects breakeven results as in prior years and a decrease in FY2015 spending of \$95,709 compared to actual spending in FY2015, largely accounted for by a decrease in administrative, miscellaneous, compensation and benefit costs. Revenues have been projected to be relatively consistent with prior year projections overall.
- **Statement of Financial Position as of June 30, 2015.** 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, 2015

We present the following SCHOOL unaudited financial statements as of June 30, 2015:

3. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2014 and 2015; and budgets for the June 30, 2015 and 2016 fiscal years)
4. **Statement of Financial Position** or balance sheet (as of June 30, 2014 and 2015)

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

- **For the fiscal year ended June 30, 2015**, the School reported an operating loss of \$19,079 before capital expenditures are accounted for. The loss was primarily due to (i) a delayed funding by the school council received in FY2016 and (ii) an increase in expenses of \$49,453 this past year when compared to last year's expenses due to compensation and benefit increases.
- **Revenue** sources are grouped together at the top of the Statement of Revenues and Expenditures and totaled \$1,299,278 for the 12-month period ending June 30, 2015. 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 \$1,175,155, or almost 90% of total revenues, (ii) School fund raising, which amounted to \$35,467, or almost 3%, and (iii) the Parish's subsidy of \$50,000, or 3.8%.
- **Operating Expenses** increased \$49,453 but were over budget by only \$31,990 or 2.5%, in the 12-month period ending June 30, 2015. The FY2016 budget for operating expenses is estimated at \$1,342,050 and \$55,683 above FY2015 budgeted amount.
- **Capital Expenditures** were \$105,644 for the 12-month period ending June 30, 2015. This was due to painting of the interior school building as well as new windows, secure door access and area rugs. Capital expenditures for next year, FY2016, have been budgeted at \$40,000, which is an increase of \$20,000 from the FY2015 budgeted amount.

Attached are the 2014 and 2015 actual and 2015 and 2016 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

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
<u>REVENUE</u>				
Offertory	\$448,640	\$432,000	\$478,431	\$440,000
Annual Appeal	407,979	400,000	396,189	410,000
Sacramental Offerings	14,142	14,000	12,099	14,000
Gifts/Donations	86,605	38,400	52,981	29,000
Religious Education	42,804	46,700	46,882	48,000
Interest Income	3,348	3,700	4,109	3,550
Miscellaneous	20,960	5,000	67,967	3,100
Catholic Appeal Rebate	4,431	0	7,844	0
TOTAL REVENUE	<u>\$1,028,909</u>	<u>\$939,800</u>	<u>\$1,066,502</u>	<u>\$947,650</u>
<u>OPERATING EXPENSES</u>				
Salary and Salary Related:				
Salary and Benefits	\$621,937	\$619,068	\$616,786	\$595,380
Total Salary and Salary Related	<u>\$621,937</u>	<u>\$619,068</u>	<u>\$616,786</u>	<u>\$595,380</u>
Other Operating Expenses				
Administrative	\$96,314	42,900	\$76,286	65,100
Music & Liturgical	24,300	20,950	20,895	16,300
Religious Education	20,387	20,000	7,830	7,750
Rectory & Household	39,460	37,890	19,572	20,570
Property Maintenance	109,848	89,430	105,910	135,250
Parish Tithe	46,274	44,012	46,276	45,600
School	50,000	50,000	50,000	50,000
Miscellaneous	16,082	15,550	99,804	11,700
Total Other Operating Expense	<u>\$402,665</u>	<u>\$320,732</u>	<u>\$426,573</u>	<u>\$352,270</u>
TOTAL OPERATING EXPENSES	<u>\$1,024,602</u>	<u>\$939,800</u>	<u>\$1,043,359</u>	<u>\$947,650</u>
Balance before Capital Improvements	<u>\$4,307</u>	<u>0</u>	<u>\$23,144</u>	<u>0</u>
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance after Capital Expenditures	<u>\$4,307</u>	<u>\$0</u>	<u>\$23,144</u>	<u>\$0</u>
Surplus/(Deficit)	<u>\$4,307</u>	<u>\$0</u>	<u>\$23,144</u>	<u>\$0</u>

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

	June 30, 2014	June 30, 2015
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	501,480	500,315
RESTRICTED - CAPITAL CAMPAIGN	703,954	464,771
RESTRICTED TEMPORARILY	220,634	190,380
RESTRICTED PERMANENTLY	31,176	31,223
ACCOUNTS RECEIVABLE	<u>6,450</u>	<u>6,450</u>
TOTAL ASSETS	<u>\$1,463,694</u>	<u>\$1,193,139</u>
 LIABILITIES		
ACCOUNTS PAYABLE and OTHER CURRENT LIABILITIES	10,526	19,583
DEPOSITS	<u>48,325</u>	<u>28,110</u>
TOTAL LIABILITIES	58,851	47,693
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR CAPITAL EXPENDITURES	116,415	116,589
UNDESIGNATED	<u>332,664</u>	<u>342,483</u>
TOTAL UNRESTRICTED	449,079	459,072
RESTRICTED		
CAPITAL CAMPAIGN	703,954	464,771
TEMPORARILY	220,634	190,380
PERMANENTLY	<u>31,176</u>	<u>31,223</u>
TOTAL RESTRICTED	955,764	686,374
TOTAL NET ASSETS	<u>1,404,843</u>	<u>1,145,446</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,463,694</u>	<u>\$1,193,139</u>

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

	2014 Actual	2015 Budget	2015 Actual	2016 Budget
REVENUE				
Tuition and Stay Day	\$1,100,449	\$1,054,300	\$1,066,810	\$1,139,650
Registration	80,156	\$80,000	93,055	\$80,000
After School Program	19,725	25,000	15,290	20,000
Fees - Miscellaneous	4,800	4,500	3,500	10,000
Gifts/Donations	16,809	2,500	14,270	0
Interest Income	634	700	2,349	2,000
Parish Transfer	50,000	50,000	50,000	50,000
School Council Fundraising Contribution	126,610	90,000	35,467	75,000
RCAB Support	13,479	14,000	11,000	14,000
Miscellaneous	5,473	4,800	7,538	5,000
TOTAL REVENUE	\$1,418,135	\$1,325,800	\$1,299,278	\$1,395,650
OPERATING EXPENSES				
Salary and Salary Related:				
Exempt	\$905,760	\$950,467	\$971,863	\$994,095
Non Exempt	88,397	89,300	77,737	\$110,455
Contract Labor	16,889	13,500	19,540	11,000
Total Salary and Salary Related	\$1,011,046	\$1,053,267	\$1,069,140	\$1,115,550
Other Operating Expenses				
Administrative	\$18,738	\$19,000	\$23,927	\$19,500
Texts, Instructional & Teaching Supplies	40,750	42,000	33,312	32,000
Professional Memberships and Dues	8,957	8,500	9,172	6,000
Property Maintenance	140,717	137,100	142,893	138,000
Technology	21,300	10,000	10,409	12,000
Miscellaneous	27,396	16,500	29,505	19,000
School Council Expense	*	*	*	*
Total Other Operating Expense	\$257,858	\$233,100	\$249,218	\$226,500
TOTAL OPERATING EXPENSES	\$1,268,904	\$1,286,367	\$1,318,357	\$1,342,050
Balance before Capital Expenditures	149,231	39,433	(\$19,079)	53,600
Capital Expenditures	0	20,000	105,644	40,000
Balance after Capital Expenditures	\$149,231	\$19,433	(\$124,724)	\$13,600
Surplus/(Deficit)	\$149,231	\$19,433	(\$124,724)	\$13,600

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

	June 30, 2014	June 30, 2015
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	1,216,787	1,273,675
ACCOUNTS RECEIVABLE & OTHER CURRENT ASSETS	<u>15,000</u>	<u>17,720</u>
TOTAL ASSETS	<u><u>1,231,787</u></u>	<u><u>1,291,395</u></u>
 LIABILITIES		
ACCOUNTS PAYABLE	0	0
ACCRUED PAYROLL	0	67,218
DEPOSITS FOR TUITION/REGISTRATION(2014-2015)	<u>427,237</u>	<u>588,569</u>
TOTAL LIABILITIES	427,237	655,788
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR TREES & TRIMMINGS	9,114	5,657
DESIGNATED FOR SCRIP	12,535	1,359
DESIGNATED FOR CAPITAL EXP & MAJOR REPAIR	232,609	202,844
UNDESIGNATED	<u>550,292</u>	<u>425,748</u>
TOTAL UNRESTRICTED	804,550	635,607
 TOTAL NET ASSETS	<u><u>804,550</u></u>	<u><u>635,607</u></u>
 TOTAL LIABILITIES & NET ASSETS	<u><u>1,231,787</u></u>	<u><u>1,291,395</u></u>