

St. John the Evangelist

ANNUAL FINANCIAL REPORT



September 2013

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. 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, 2013, our weekly Offertory and Annual Appeal (formerly called the Grand Annual) collections again provided almost 90% of total revenue. Although our revenue was up slightly versus the previous year and very close to what was budgeted, we ended this past year with a deficit of \$41,586. This deficit is largely due to (1) emergency repairs to a broken sewer pipe to the Parish Center and subsequent related costs and (2) to HVAC system repairs that were more extensive than anticipated.

Now that we are over ten years beyond the church's renovation, there are many necessary repairs and renovations to the Church's interior, exterior and operating systems. Although the Finance Council has set aside funds each year to tackle the most urgent projects, the list continues to grow, while the Offertory and Annual Appeal has remained about the same for the past few years. As you are probably now aware, after careful deliberation by the Parish and Finance Councils and a Planning Study by a Cornerstone Fundraising, we will embark on a capital campaign later this year to raise over \$1 million. This much-needed funding will address the items 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. We look forward to telling you more about the campaign when it is launched this fall.

For the current 2013-14 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. We anticipate that the funds raised by the capital campaign will be in addition to our usual Offertory and Annual Appeal collections, to be used exclusively for major capital improvements. 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.

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, 2013

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, 2013

Dear Father Tom,

We have reviewed the following PARISH financial statements as of June 30, 2013:

1. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2012 and 2013; and budgets for the June 30, 2013 and 2014 fiscal years)
2. **Statement of Financial Position** or balance sheet (as of June 30, 2012 and 2013)

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

- **For the fiscal year ended June 30, 2013**, the Parish reported a deficit of \$41,586 which is after \$62,870 of deferred capital projects and unexpected repairs (broken sewer pipe and HVAC repairs). The Parish still faces a significant amount of capital expenditures and the Finance Council fully supports the initiation of the capital campaign this fall.
- **Revenue** sources are grouped together at the top of the Statement of Revenues and Expenditures. Both the weekly Offertory and the Annual Appeal came in slightly higher than budgeted and +2% vs. FY2012 actual -- a true testament to the generosity of our parishioners and the strength of the Parish. Specifically, the weekly Offertory contributed \$433,662, which was \$3,300 above our fiscal year 2013 Offertory budget, and almost \$10,000 above FY2012 actual. The Annual Appeal (contributing \$449,953 last year) was slightly above our 2013 Annual Appeal budget (+\$6,200) and \$11,000 above the FY2012 actual.
- **Operating Expenses** increased by \$37,248, or 4.0%, in the 12-month period ending June 30, 2013 compared to actual spending for the same period in 2012. Almost \$10,000 related to higher property maintenance costs in FY2013, almost \$11,000 related to higher administrative costs, and almost \$14,000 related to higher compensation-related costs compared to FY2012.
- **Capital Expenditures** of \$62,870 for last year were significantly higher than budgeted due to unforeseen broken sewer pipe and HVAC repairs. The Parish Finance Council has continued to fund certain major capital projects identified in the Buildings & Grounds report from 2011, however, additional capital projects remain and will be addressed through the funding raised in the capital campaign.

- The **FY2014 Budget** projects breakeven results and assumes a modest decrease in FY2014 spending of 2.14% compared to actual spending in FY2013, but no material change in spending when compared to the FY2013 budget – a \$384 reduction. This level of spending includes a capital expenditure and reserve allowance of \$45,000 and assumes a 1.2% decrease in the combined weekly Offertory collection and the Annual Appeal compared to actual contributions in FY2013. In summary, most budgeted items are remaining the same as budgeted for spending in FY2013 with the exception of two items. With the implementation of the Archdiocese’s new financial model, the Parish’s contribution to the School will decrease by \$48,000 (to a new annual level of \$50,000), which largely offsets an increase in payments to the Archdiocese by \$38,974. This is a permanent change in how our expenses are allocated.
- **Statement of Financial Position as of June 30, 2013.** 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, 2013

We present the following SCHOOL unaudited financial statements as of June 30, 2013:

3. **Statement of Revenues and Expenditures** (actual results for the fiscal years ended June 30, 2012 and 2013; and budgets for the June 30, 2013 and 2014 fiscal years)
4. **Statement of Financial Position** or balance sheet (as of June 30, 2012 and 2013)

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

- **For the fiscal year ended June 30, 2013**, the School reported a surplus of \$144,781, which is before spending \$10,632 on capital improvements to the facilities. The \$134,149 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 \$1,336,778 for the 12-month period ending June 30, 2013. 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 \$1,005,535, or over 75% of total revenues, (ii) School fund raising, which amounted to \$75,000, or over 5.6%, and (iii) the Parish's subsidy of \$98,000, or over 7%. The 2014 School budget shows the Parish's subsidy at \$50,000, a reduction of \$48,000.
- **Operating Expenses** were under budget by \$21,199, or 1.7%, in the 12-month period ending June 30, 2013 but is not expected to be repeated in fiscal year 2014.
- **Capital Expenditures** were \$10,632 for the 12-month period ending June 30, 2013 to cover bathroom renovations to accommodate 3-4 year olds, replace bell-clock system, and new refrigerator replacement. 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 2014 budgeted financial statements for the Parish and the actual and 2014 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, 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

	2012 Actual	2013 Budget	2013 Actual	2014 Budget
<u>REVENUE</u>				
Offertory	\$423,856	\$430,300	\$433,663	\$428,702
Annual Appeal	438,986	443,700	449,953	444,399
Sacramental Offerings	12,806	14,200	11,140	14,000
Gifts/Donations	27,444	24,800	32,379	36,800
Religious Education	46,875	54,000	53,929	56,455
Interest Income	4,723	8,100	4,833	7,500
Miscellaneous	25,780	16,640	2,500	3,500
TOTAL REVENUE	<u>\$980,470</u>	<u>\$991,740</u>	<u>\$988,397</u>	<u>\$991,356</u>
<u>OPERATING EXPENSES</u>				
Salary and Salary Related:				
Salary and Benefits	\$586,014	598,985	\$600,240	603,794
Total Salary and Salary Related	<u>\$586,014</u>	<u>\$598,985</u>	<u>\$600,240</u>	<u>\$603,794</u>
Other Operating Expenses				
Administrative	\$38,002	37,800	\$51,130	39,970
Music & Liturgical	19,675	20,200	19,586	20,100
Religious Education	19,439	20,300	21,753	22,480
Rectory & Household	30,900	32,620	34,967	35,200
Property Maintenance	111,705	112,775	121,717	112,890
Cathadromatic/Parish Tithe	4,000	4,000	0	46,272
Chaplaincy	5,681	6,500	5,895	0
School	98,000	98,000	98,000	50,000
Miscellaneous	16,449	15,560	13,825	15,650
Total Other Operating Expense	<u>\$343,851</u>	<u>\$347,755</u>	<u>\$366,873</u>	<u>\$342,562</u>
TOTAL OPERATING EXPENSES	<u>\$929,865</u>	<u>\$946,740</u>	<u>\$967,113</u>	<u>\$946,356</u>
Balance before Capital Expenditures	50,605	45,000	21,284	45,000
Capital Expenditures	52,366	45,000	62,870	45,000
Balance after Capital Expenditures	(\$1,761)	\$0	(\$41,586)	\$0
Net Income/(Loss)	(\$1,761)	\$0	(\$41,586)	\$0

**St. John the Evangelist Parish
Statement of Financial Position
June 30, 2013**

	June 30, 2012	June 30, 2013
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	605,676	542,669
TEMPORARILY RESTRICTED	145,875	148,381
PERMANENTLY RESTRICTED	31,068	31,129
ACCOUNTS RECEIVABLE	0	6,088
DEPOSIT HELD FOR SCHOOL	<u>-15,000</u>	<u>-15,000</u>
TOTAL ASSETS	<u>\$767,619</u>	<u>\$713,267</u>
 LIABILITIES		
ACCOUNTS PAYABLE	5,124	-4,826
OTHER CURRENT LIABILITIES	4,798	8,818
DEPOSITS FOR RELIGIOUS EDUCATION	<u>31,820</u>	<u>28,949</u>
TOTAL LIABILITIES	41,742	32,941
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR ORGAN	68,528	69,319
DESIGNATED FOR CAPITAL EXPENDITURES and MAJOR REPAIRS	116,012	116,240
UNDESIGNATED	<u>364,394</u>	<u>315,257</u>
TOTAL UNRESTRICTED	548,934	500,816
TEMPORARILY RESTRICTED	145,875	148,381
PERMANENTLY RESTRICTED	<u>31,068</u>	<u>31,129</u>
TOTAL NET ASSETS	<u>725,877</u>	<u>680,326</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$767,619</u>	<u>\$713,267</u>

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

	2012 Actual	2013 Budget	2013 Actual	2014 Budget
REVENUE				
Tuition and Stay Day	\$915,361	\$964,520	\$1,005,535	\$971,750
Registration	34,300	86,000	92,000	77,000
After School Program	35,449	38,000	32,694	34,000
Fees - Miscellaneous	3,760	2,600	4,050	3,600
Gifts/Donations	2,289	2,000	2,595	1,500
Interest Income	1,398	2,100	982	1,850
Parish Transfer	98,000	98,000	98,000	50,000
School Council Fundraising Contribution	75,000	75,000	75,000	125,000
RCAB Support	13,047	14,000	18,892	12,000
Miscellaneous	4,793	6,900	7,030	4,900
TOTAL REVENUE	\$1,183,397	\$1,289,120	\$1,336,778	\$1,281,600
OPERATING EXPENSES				
Salary and Salary Related:				
Exempt	\$767,352	\$870,245	\$868,475	\$931,115
Non Exempt	109,675	113,251	91,210	88,000
Contract Labor	13,472	12,500	15,496	14,000
Total Salary and Salary Related	\$890,499	\$995,996	\$975,181	\$1,033,115
Other Operating Expenses				
Administrative	\$16,033	\$15,300	\$14,114	\$18,400
Texts, Instructional & Teaching Supplies	25,327	25,000	32,221	59,000
Professional Memberships and Dues	5,772	9,500	2,928	8,500
Property Maintenance	136,099	136,200	140,616	133,200
Technology	7,362	8,000	15,078	33,000
Miscellaneous	10,928	23,200	11,859	9,700
School Council Expense	*	*	*	*
Total Other Operating Expense	\$201,521	\$217,200	\$216,816	\$261,800
TOTAL OPERATING EXPENSES	\$1,092,020	\$1,213,196	\$1,191,997	\$1,294,915
Balance before Capital Expenditures	91,377	75,924	144,781	-13,315
Capital Expenditures	7,454	25,000	10,632	25,000
Balance after Capital Expenditures	\$83,923	\$50,924	\$134,149	(\$38,315)
Net Income/(Loss)	\$83,923	\$50,924	\$134,149	(\$38,315)

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

June 30, 2013

	June 30, 2012	June 30, 2013
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	1,081,738	1,243,890
ACCOUNTS RECEIVABLE & OTHER CURRENT ASSETS	24,800	15,000
TOTAL ASSETS	\$1,106,538	1,258,890
 LIABILITIES		
ACCOUNTS PAYABLE	-1,455	-4,303
ACCRUED PAYROLL	0	0
DEPOSITS FOR TUITION/REGISTRATION(2013-2014)	487,467	503,676
TOTAL LIABILITIES	486,012	499,373
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR TREES & TRIMMINGS	2,942	12,757
DESIGNATED FOR SCRIP	11,409	11,030
DESIGNATED FOR CAPITAL EXP & MAJOR REPAIR	232,563	232,586
UNDESIGNATED	373,612	503,144
TOTAL UNRESTRICTED	620,526	759,517
 TOTAL NET ASSETS	620,526	759,517
 TOTAL LIABILITIES & NET ASSETS	1,106,538	1,258,890