

St. John the Evangelist

ANNUAL FINANCIAL REPORT



September 2017

My dear friends in Christ,

Having just finished my first year as pastor of St. John's, I am filled with hope and enthusiasm for our continued growth in our Gospel mission both as a parish and as a collaborative. I cannot tell you how impressed I have been with your commitment to living out the Gospel of Jesus Christ. Our liturgies, with excellent and diverse music and the active participation of so many parishioners in various ministries, are inspiring and life giving. We received six catechumens into the Church last Easter. The RCIA team is superb... the best I have ever encountered. Our service ministries, including a highly successful clothing drive for St. Francis House, the Christmas Wish Program and our Lenten Gift to Bakhita House brought the comfort and compassion of Christ to the needy in our community even as we educated ourselves about the needs of those around us. You have all impressed me over the past year as highly motivated, passionate and committed disciples of Christ. Even with the challenges that come with leading a large collaborative, it is truly a joy to be your pastor!

I realize that this is perhaps an unorthodox beginning to a financial report. But I thought that was important to put our financial picture in the context of our mission. And yes, the financial picture has improved dramatically since last year's Annual Report. While our income from Offertory and the Annual Appeal increased modestly, our budget deficit was completely eliminated. Last year we had a budget deficit of nearly \$225,000. Through careful financial oversight, checks and balances in spending and collaborative sharing of compensation, we realized a modest surplus rather than the projected deficit. Thanks to your generosity and the hard work of our superb administrative staff, we are well on our way to restoring the parish's financial health.

As many of you know, we completed the fund raising portion of our capital campaign three years ago and some parishioners are continuing to fulfill their pledges this year. We have continued to spend such money exclusively on the necessary repairs and needed upkeep of our parish buildings. During the past year, we have used money from the capital campaign to renovate the Parish Center for our collaborative staff office, meeting space and religious education classrooms.

We have been through difficult times of transition in the past several years. Because of your faith and commitment to living the Gospel, I am excited and full of hope as we embark upon the year ahead together. Thank you for your continued generosity. Your gifts of time, talent and treasure allow St. John's to be not just a parish, but a true spiritual home.

Sincerely yours in Christ,

Reverend James J. Laughlin, Pastor

September 2017

Reverend James Laughlin
Pastor
St. John the Evangelist Parish
9 Glen Road
Wellesley, MA 02481

PARISH Financial Report for the Fiscal Year Ended June 30, 2017

Dear Father Laughlin,

We present the following PARISH unaudited financial statements as of June 30, 2017:

1. **Statement of Revenue and Expenditures** (actual results for the fiscal years ended June 30, 2016 and 2017; and budgets for the June 30, 2017 and 2018 fiscal years)
2. **Statement of Financial Position** or balance sheet (as of June 30, 2016 and 2017)

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

- **For the fiscal year ended June 30, 2017**, the Parish reported a surplus of \$17,655 when excluding payments on pledges 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 Revenue and Expenditures. Total Revenue was fairly consistent with prior year however there was a notable increase in the Annual Appeal as receipts were up \$62,956 compared to last year. The Offertory collection was below prior year by \$25,768. In total, Revenue declined \$12,691.
- **Operating Expenses** decreased by \$254,379, or 22%, in the 12-month period ending June 30, 2017 compared to actual spending for the same period in fiscal year 2016. This decrease is primarily due to a combination of cost management and collaborative sharing of compensation expenses. Each parish continues to operate on its own revenue and expenses, with the exception of certain staff positions that are shared between the parishes and school.
- **Capital Campaign.** The final total of financial commitments to the Capital Campaign equaled \$1,569,592. Those commitments can be paid over time and as of June 30, 2017 we have received \$1,487,453. From the funds contributed to the Capital Campaign, we spent \$891,079 through June 30, 2017. The major projects completed with Capital Campaign funds are the Church exterior work, Church interior renovations and the Church roof repairs. We expect to receive payment of the 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 **FY2017 Budget** projects break even results, while projecting a slight increase in expenses of \$35,524, and an increase in the Annual Appeal to \$369,000 and Offertory to \$455,000, which is 5% over FY 2017 levels.
- **Statement of Financial Position as of June 30, 2016.** 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, 2017

We present the following SCHOOL unaudited financial statements as of June 30, 2017:

3. **Statement of Revenue and Expenditures** (actual results for the fiscal years ended June 30, 2016 and 2017; and budgets for the June 30, 2017 and 2018 fiscal years)
4. **Statement of Financial Position** or balance sheet (as of June 30, 2016 and 2017)

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

- **For the fiscal year ended June 30, 2017**, the School reported an operating surplus of \$24,072 before capital expenditures of \$31,795. The surplus was primarily due to (i) an increase in tuition, of \$73,490 and, (ii) an increase in Afterschool Program of \$30,693. Total Revenue increased by \$125,692. Expenses increased by \$325,107, primarily for salaries and benefits for additional staff and increased compensation for existing staff.
- **Revenue** sources are grouped together at the top of the Statement of Revenue and Expenditures and totaled \$1,874,778 for the 12-months ended June 30, 2017. 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 \$1,594,632, or 85% of total revenue, (ii) School fund raising, which amounted to \$154,625, or 8%, and (iii) the Parish's subsidy of \$50,000, or 3%.
- **Operating Expenses** increased \$325,107 (22%) because of additional classroom instruction and higher salaries and benefits. The FY2018 budget for operating expenses is \$1,895,050, an increase of \$44,344 (2%), attributed to additional increases in salary and benefits.
- **Capital Expenditures** were \$31,795 and consisted of refurbishing office areas and classrooms with new rugs and furniture as well as bulletin boards for the hallways to display the student's work. For FY2018 we have earmarked funds for the school boiler replacement. The school had fully reserved money for this expenditure from many years of fundraising efforts.

Attached are the 2016 and 2017 actual and 2017 and 2018 budgeted financial statements for the Parish and the School.

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

Parish Finance Council Members:

Joe Creonte, George Eldridge, Tom Fontaine, Lucy Kapples, and Bob McDonnell.

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

	2016 Actual	2017 Budget	2017 Actual	2018 Budget
<u>REVENUE</u>				
Offerstory	\$458,952	\$447,975	\$433,184	\$455,000
Annual Appeal	288,282	390,000	351,238	369,000
Sacramental Offerings	25,234	21,574	23,371	23,000
Gifts/Donations	48,359	32,000	34,093	27,000
Religious Education	37,336	34,902	53,911	50,000
Interest Income	4,133	3,589	3,223	2,700
Miscellaneous	67,411	16,250	3,375	6,250
Catholic Appeal Rebate	23,801	17,400	38,422	25,736
<u>TOTAL REVENUE</u>	<u>\$953,508</u>	<u>\$963,690</u>	<u>\$940,817</u>	<u>\$958,686</u>
<u>OPERATING EXPENSES</u>				
Salary and Salary Related:				
Salary and Benefits	\$655,608	\$608,110	\$580,963	\$610,675
Total Salary and Salary Related	\$655,608	\$608,110	\$580,963	\$610,675
Other Operating Expenses				
Administrative	\$76,644	\$57,025	\$44,136	\$44,500
Music & Liturgical	40,523	19,442	13,616	15,600
Religious Education	8,627	3,512	7,333	7,550
Rectory & Household	35,302	28,384	25,658	25,224
Property Maintenance	228,485	166,776	145,365	155,055
Parish Tithe	45,988	46,200	46,196	43,787
School	50,000	50,000	50,000	50,000
Miscellaneous	36,364	10,799	9,895	6,295
Total Other Operating Expense	\$521,933	\$382,138	\$342,199	\$348,011
<u>TOTAL OPERATING EXPENSES</u>	<u>\$1,177,541</u>	<u>\$990,248</u>	<u>\$923,162</u>	<u>\$958,686</u>
Balance before Capital Improvements	(\$224,033)	(\$26,558)	\$17,655	\$0
Capital Expenditures	\$0	\$0	\$0	\$0
Balance after Capital Expenditures	(\$224,033)	(\$26,558)	\$17,655	\$0
Surplus/(Deficit)	(\$224,033)	(\$26,558)	\$17,655	\$0

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

	June 30, 2016	June 30, 2017
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	318,600	330,960
RESTRICTED - CAPITAL CAMPAIGN	515,311	602,347
RESTRICTED TEMPORARILY	151,310	163,324
RESTRICTED PERMANENTLY	31,280	31,364
ACCOUNTS RECEIVABLE	<u>6,450</u>	<u>760</u>
TOTAL ASSETS	<u>\$1,022,950</u>	<u>\$1,128,755</u>
 LIABILITIES		
ACCOUNTS PAYABLE and		
OTHER CURRENT LIABILITIES	15,554	17,349
DEPOSITS	<u>24,029</u>	<u>30,429</u>
TOTAL LIABILITIES	39,583	47,778
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR CAPITAL EXPENDITURES	116,802	117,117
UNDESIGNATED	<u>168,664</u>	<u>166,826</u>
TOTAL UNRESTRICTED	285,466	283,943
RESTRICTED		
CAPITAL CAMPAIGN	515,311	602,347
TEMPORARILY	151,310	163,324
PERMANENTLY	<u>31,280</u>	<u>31,364</u>
TOTAL RESTRICTED	697,900	797,034
TOTAL NET ASSETS	<u>983,366</u>	<u>1,080,977</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,022,950</u>	<u>\$1,128,755</u>

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

	2016 Actual	2017 Budget	2017 Actual	2018 Budget
REVENUE				
Tuition and Stay Day	\$1,312,501	\$1,328,320	\$1,385,991	\$1,428,050
Registration	105,010	\$87,500	87,300	\$90,000
After School Program	90,648	75,000	121,341	100,000
Fees - Miscellaneous	9,047	10,000	46,127	25,000
Interest Income/Market Gain (Loss)	-3,058	5,000	15,607	5,000
Parish Transfer	50,000	50,000	50,000	87,000
Doantions/Fundraising	171,217	125,000	154,625	150,000
RCAB Support	13,721	10,000	13,787	10,000
Miscellaneous	0	0	0	0
TOTAL REVENUE	\$1,749,086	\$1,690,820	\$1,874,778	\$1,895,050
OPERATING EXPENSES				
Salary and Salary Related:				
Exempt	\$1,098,958	\$1,256,407	\$1,367,934	\$1,415,050
Non Exempt	142,100	\$142,000	176,282	\$185,000
Contract Labor	33,715	26,000	33,220	30,000
Total Salary and Salary Related	\$1,274,773	\$1,424,407	\$1,577,437	\$1,630,050
Other Operating Expenses				
Administrative	\$39,983	\$22,000	\$29,667	\$27,000
Texts, Instructional & Teaching Supplies	37,726	35,000	39,321	35,000
Professional Memberships and Dues	5,674	10,000	9,716	18,000
Property Maintenance	129,506	135,000	113,699	109,000
Technology	2,123	20,000	28,713	30,000
Miscellaneous	35,911	30,000	52,153	46,000
Total Other Operating Expense	\$250,923	\$252,000	\$273,269	\$265,000
TOTAL OPERATING EXPENSES	\$1,525,696	\$1,676,407	\$1,850,706	\$1,895,050
Balance before Capital Expenditures	\$223,390	14,413	\$24,072	0
Capital Expenditures	\$187,970	\$14,413	\$31,795	\$0
Balance after Capital Expenditures	\$35,420	\$0	(\$7,723)	\$0
Surplus/(Deficit)	\$35,420	\$0	(\$7,723)	\$0

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

	June 30, 2016	June 30, 2017
ASSETS		
CASH AND CASH EQUIVALENTS		
UNRESTRICTED	1,238,316	1,280,791
ACCOUNTS RECEIVABLE & OTHER CURRENT ASSETS	<u>39,777</u>	<u>10,613</u>
TOTAL ASSETS	<u><u>1,278,093</u></u>	<u><u>1,291,403</u></u>
 LIABILITIES		
ACCOUNTS PAYABLE	10,681	2,272
ACCRUED PAYROLL	101,048	110,035
DEPOSITS FOR TUITION/REGISTRATION	<u>485,787</u>	<u>502,438</u>
TOTAL LIABILITIES	597,515	614,745
 NET ASSETS		
UNRESTRICTED		
DESIGNATED FOR TREES & TRIMMINGS	158,831	68,955
DESIGNATED FOR SCRIP	1,668	3,710
DESIGNATED FOR CAPITAL EXP & MAJOR REPAIR	197,363	210,845
UNDESIGNATED	<u>322,717</u>	<u>393,148</u>
TOTAL UNRESTRICTED	680,578	676,658
 TOTAL NET ASSETS	<u><u>680,578</u></u>	<u><u>676,658</u></u>
 TOTAL LIABILITIES & NET ASSETS	<u><u>1,278,093</u></u>	<u><u>1,291,403</u></u>