

St. John the Evangelist

ANNUAL FINANCIAL REPORT



October 2019

My dear friends in Christ,

Having just finished my third year as pastor of St. John the Evangelist Parish, I am filled with hope and enthusiasm for our continued growth in our Gospel mission both as a parish and as a collaborative. Just last week, over one thousand parishioners from St. John's and St. Paul's gathered for our second annual Collaborative Outdoor Mass, and the joyful spirit of faith and solidarity was palpable.

Our parish liturgies, with excellent and diverse music and the active participation of so many parishioners, are inspiring and life giving. We are growing in faith together through adult Bible studies and faith sharing groups, and through our revitalized Religious Education, Confirmation, and Youth Ministry programs. Hundreds of teens and their families gather at our collaborative Sunday 5pm Mass for beautiful liturgies in which the young people serve as lectors, Eucharistic Ministers, greeters, instrumentalists, and singers, giving our young people a lived connection to Christ Jesus and the community of the Church.

Our service ministries include our faithful support of St. Francis House, the Bristol Lodge, and the Saint Katherine Drexel Food Pantry; our Christmas Wish program brings the joy of Christmas to hundreds of children and families in need each year. Thanks to your continued commitment and generosity, our newly formed St. Vincent de Paul Society has been able to assist several families here in our own community, where the need has been even greater than we had anticipated. In August, our Youth Ministry team and I led a wonderful group of high school students to the Nuestros Pequeños Hermanos (NPH) home in the Dominican Republic. These ministries, along with many others, are bringing the comfort and compassion of Christ to those in need in our community and beyond.

Our parish continues to be there for you in life's joyous celebrations and times of loss and grief. I am so grateful that you have made St. John's your spiritual home. Even with the challenges that come with leading a large collaborative, it is truly a joy to be your pastor!

I offer my heartfelt appreciation to the generous parishioners of St. John. At the beginning of May, we asked for your help in meeting our budgeted Offertory and Annual Appeal amounts, and you responded. Thanks to a variety of gifts, both large and small, St. John exceeded its budget for both of these line items, and as a result, is reporting its highest operating surplus since 2015. We once again ask for your support for fiscal year 2020. To continue to operate on a break-even basis, we have had to increase our total budgeted Offertory and Annual Appeal amounts by 2.3%. At the same time, we will work diligently to contain costs and manage the expense side of the budget. Together, we can continue to maintain the financial health of St. John Parish well into the future.

Thank you for all that you do to make St. John's the vibrant community of faith that it is.

Sincerely yours in Christ,

Reverend James J. Laughlin, Pastor

October 2019

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

ST. JOHN PARISH Financial Report for the Fiscal Year Ended June 30, 2019

Dear Father Laughlin,

We present the following PARISH unaudited financial statements as of June 30, 2019:

1. **Statements of Revenue and Expenditures** (actual results for the fiscal years ended June 30, 2018 and 2019; and budgets for the June 30, 2019 and 2020 fiscal years)
2. **Statements of Financial Position** or balance sheet (as of June 30, 2018 and 2019)

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

- **For the fiscal year ended June 30, 2019**, the Parish reported a surplus of \$20,792 when excluding payments on pledges to the Capital Campaign and excluding expenditures from the Capital Campaign to repair the Parish buildings.
- **Operating Revenue** sources are grouped together at the top of the Statement of Revenue and Expenditures. During fiscal year ended June 30, 2019, each revenue category saw an increase over the June 30, 2018 amounts. Total Operating Revenue for fiscal year 2019 increased by \$70,062 as compared to fiscal year 2018. The largest increases came from the parish's collection receipts; the Weekly Offertory surpassed prior year receipts by \$29,514 and the Annual Appeal exceeded prior year amounts by \$7,362, for a combined increase in total collection receipts of \$36,876. Other sources of giving also increased, as Gifts/Donations rose by \$9,407 and Sacramental Offerings grew by \$5,295. Religious Education income increased by \$5,946, while Miscellaneous Revenue rose by \$13,499.
- **Operating Expenses** increased by \$58,272 for the year ending June 30, 2019 as compared to spending for the year ended June 30, 2018. The largest driver of this change is the increase in Miscellaneous Expenses of \$20,761, much of which is attributed to a one-time payment owed to Saint John School. Also contributing to the overall growth in expenses is a rise in Property Maintenance costs, which included a new hot water heater for the rectory and repairs to the

church's masonry and sprinkler system, and increases in Salaries & Benefits and Music & Liturgical spending. Certain fiscal year 2018 amounts have been reclassified to conform with fiscal 2019 presentation.

- **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, 2019 we have received \$1,531,904. From the funds contributed to the Capital Campaign, we spent \$1,038,999 through June 30, 2019. Work funded by the Capital Campaign in fiscal year 2019 included repairing the flashing on the rectory roof and replacing broken slate tiles on the church roof, as well as final contributions towards the boiler replacement at Saint John School. We expect to receive payment of the remaining commitments in the next few years and will use the money received exclusively to pay for capital expenditures and repairs to our buildings and properties.
- **FY2020 Budget.** As Operating Expenses are projected to grow by only 2%, modest increases in both Offertory and Annual Appeal will allow St. John Parish to operate within a break-even budget.
- **Statements of Financial Position as of June 30, 2019.** 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. Saint 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 Saint John School]

SAINT JOHN SCHOOL Financial Report for the Fiscal Year Ended June 30, 2019

We present the following SCHOOL unaudited financial statements as of June 30, 2019:

3. **Statements of Revenue and Expenditures** (actual results for the fiscal years ended June 30, 2018 and 2019; and budgets for the June 30, 2019 and 2020 fiscal years)
4. **Statements of Financial Position** or balance sheet (as of June 30, 2018 and 2019)

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

- **For the fiscal year ended June 30, 2019**, the School reported an operating deficit of \$79,761 before capital expenditures of \$131,320 and extraordinary items of \$144,628. While Operating Expenses remained basically the same in fiscal year 2019 as they were in fiscal 2018, Operating Revenue decreased by \$190,509. This change was primarily due to a decrease in enrollment, which resulted in lower net Tuition and lower Registration Fees. The reduction in Fundraising & Other Donations, due to the lack of a spring fundraising event equivalent to the prior year's auction, was almost fully offset by the growth in the After School & Athletics programs. An increase of \$15,078 in Miscellaneous Income offset small decreases in other categories.
- **Revenue** sources are grouped together at the top of the Statement of Revenue and Expenditures and totaled \$1,801,315 for the fiscal year ended June 30, 2019. The School's major sources of revenue are: (i) funds for a child attending the School (tuition, registration, and after school programs), which totaled \$1,461,541 or 81% of total revenue, (ii) School fund raising, net of fundraising expenses, which totaled \$188,363, or 11% of total revenue, and (iii) the Parish's subsidy of \$50,000, or 3% of total revenue. Although there was not a large spring fundraising event in 2019, the School did achieve a record-breaking Annual Fund campaign.
- **Operating Expenses** decreased \$140,696 or 7% during fiscal year 2019, partially due to a \$58,471 reduction in Salary and Salary Related costs. By leveraging prior year investments in technology, and instruction and professional development, the school was able to save an additional \$55,848 in these two areas. The FY2020 budget anticipates a 1% drop in Total Operating Expenses, principally due to a decrease in salary and related costs realized through attrition.
- **Capital Expenditures and Extraordinary Items.** Capital Expenditures totaling \$131,320 consisted of a variety of projects to upgrade security, renovate the Ledyard Street entrance, and improve classroom and hallway lighting. Extraordinary Items of \$144,628 were corrections of accounting errors from 2016 and 2017, and had no impact to the School's cash and other assets.

Attached are the 2018 and 2019 actual and budgeted financial statements for the Parish and the School.

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

Parish Finance Council Members:

Bryan Belton, Joe Creonte, Lucy Kapples, and Bob McDonnell

ST. JOHN THE EVANGELIST PARISH
Statements of Revenue and Expenditures
for the years ended June 30

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2020 Budget</u>
Operating Revenue				
Offertory	\$ 457,710	\$ 469,000	\$ 487,224	\$ 488,500
Annual Appeal	348,378	351,000	355,740	350,000
Sacramental Offerings	21,347	24,000	26,642	23,000
Gifts and Donations	50,641	35,000	60,048	37,800
Religious Education	38,045	42,000	43,991	44,000
Catholic Appeal Rebate	17,488	14,000	13,049	3,496
Interest Income	4,439	4,500	7,917	6,500
Miscellaneous	2,719	3,250	16,218	6,163
Total Operating Revenue	<u>940,767</u>	<u>942,750</u>	<u>1,010,829</u>	<u>959,459</u>
Operating Expenses				
Salary and Benefits	565,324	572,298	584,691	585,488
Other Operating Expenses				
Administrative	30,859	31,150	35,413	34,675
Music and Liturgical	18,353	24,700	30,432	23,500
Religious Education	20,216	18,650	16,154	18,800
Rectory and Household	25,942	25,150	22,217	23,000
Property Maintenance	167,572	169,588	178,145	179,035
Parish Tithe	43,786	42,511	42,511	42,511
School Tithe	50,000	50,000	50,000	50,000
Miscellaneous	9,713	8,703	30,474	2,450
Total Other Operating Expenses	<u>366,441</u>	<u>370,452</u>	<u>405,346</u>	<u>373,971</u>
Total Operating Expenses	<u>931,765</u>	<u>942,750</u>	<u>990,037</u>	<u>959,459</u>
Operating Surplus/(Deficit) before Capital Expenditures	<u>9,002</u>	<u>-</u>	<u>20,792</u>	<u>-</u>
Capital Expenditures (1)	-	-	-	-
Net Surplus/(Deficit)	<u>\$ 9,002</u>	<u>\$ -</u>	<u>\$ 20,792</u>	<u>\$ -</u>

(1) Refer to the Finance Council's letter to Reverend James Laughlin for discussion of Capital Campaign Expenditures.

Certain prior year amounts have been reclassified to conform to current year presentation.

ST. JOHN THE EVANGELIST PARISH
Statements of Financial Position
as of June 30

	<u>Jun 30, 2018</u>	<u>Jun 30, 2019</u>
ASSETS		
Cash & Cash Equivalents		
Cash & Cash Equivalents - Unrestricted	\$333,801	\$338,143
Cash & Cash Equivalents - Restricted for Capital Campaign Proceeds	546,395	503,031
Cash & Cash Equivalents - Other Restricted	<u>197,545</u>	<u>194,835</u>
Total Cash & Cash Equivalents	1,077,741	1,036,009
Other Assets		
Accounts Receivable	<u>1,990</u>	<u>5,827</u>
Total Other Assets	1,990	5,827
TOTAL ASSETS	<u>\$1,079,731</u>	<u>\$1,041,836</u>
LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable & Other Current Liabilities	\$14,071	\$2,141
Deposits	<u>40,010</u>	<u>30,405</u>
Total Liabilities	54,081	32,546
Net Assets		
Unrestricted Net Assets		
Undesignated	164,092	192,742
Designated for Capital Expenditures	<u>117,618</u>	<u>118,682</u>
Total Unrestricted Net Assets	281,710	311,424
Restricted Net Assets		
Temporarily Restricted - Capital Campaign	546,395	503,031
Temporarily Restricted - Other	166,047	163,045
Permanently Restricted	<u>31,498</u>	<u>31,790</u>
Total Restricted Net Assets	743,940	697,866
Total Net Assets	<u>1,025,650</u>	<u>1,009,290</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,079,731</u>	<u>\$1,041,836</u>

SAINT JOHN SCHOOL
Statements of Revenue and Expenditures
for the years ended June 30

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2020 Budget</u>
Operating Revenue				
Regular & Stay Day Tuition, net of Financial Aid	\$ 1,381,585	\$ 1,246,240	\$ 1,213,574	\$ 1,306,483
Registration Fees	100,900	79,000	74,880	83,625
After School & Athletics Programs	122,230	145,000	173,087	155,000
Fundraising & Other Donations	242,480	220,000	188,363	200,000
Parish Transfer	50,000	50,000	50,000	50,000
RCAB Support	47,479	47,542	44,742	39,477
Interest Income & Market Gain	14,468	14,000	8,909	6,000
Miscellaneous Income & Fees	32,682	26,000	47,760	14,000
Total Operating Revenue	<u>1,991,824</u>	<u>1,827,782</u>	<u>1,801,315</u>	<u>1,854,585</u>
Operating Expenses				
Salary and Benefits	1,712,887	1,676,552	1,654,416	1,619,583
Other Operating Expenses				
Administrative	24,979	23,000	28,973	26,000
Texts, Instructional & Teaching Supplies	34,419	20,000	22,457	23,000
After School & Athletics Programs	34,635	28,500	35,589	36,000
Property Maintenance	103,589	94,000	103,187	103,150
Technology & Professional Development	54,207	14,000	10,321	12,000
Miscellaneous	57,056	25,000	26,133	34,852
Total Other Operating Expenses	<u>308,885</u>	<u>204,500</u>	<u>226,660</u>	<u>235,002</u>
Total Operating Expenses	<u>2,021,772</u>	<u>1,881,052</u>	<u>1,881,076</u>	<u>1,854,585</u>
Operating Surplus/(Deficit) before Capital Expenditures and Extraordinary Items	<u>(29,948)</u>	<u>(53,270)</u>	<u>(79,761)</u>	<u>-</u>
Capital Expenditures	(192,439)	-	(131,320)	-
Extraordinary Items	-	-	(144,628)	-
Net Surplus/(Deficit)	<u><u>\$ (222,387)</u></u>	<u><u>\$ (53,270)</u></u>	<u><u>\$ (355,709)</u></u>	<u><u>\$ -</u></u>

SAINT JOHN SCHOOL
Statements of Financial Position
as of June 30

	Jun 30, 2018	Jun 30, 2019
ASSETS		
Cash & Cash Equivalents - Unrestricted	\$1,037,583	\$845,471
Accounts Receivable & Other Current Assets	4,713	23,278
TOTAL ASSETS	\$1,042,296	\$868,749
 LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable	\$17,759	(\$395)
Accrued Payroll	\$135,924	\$126,618
Deferred Revenue	436,539	646,161
Total Liabilities	590,222	772,384
Total Unrestricted Net Assets	452,074	96,365
TOTAL LIABILITIES & NET ASSETS	\$1,042,296	\$868,749

Certain prior year amounts have been reclassified to conform to current year presentation.