

St. John the Evangelist
ANNUAL FINANCIAL REPORT



October 2020

My dear friends in Christ,

As I begin my fifth year as pastor of St. John's, I can say without exaggeration that this has been a year like no other! As the fiscal year began in July of 2019, we entered our usual tranquil summer months when we all take a respite from our busy lives. Soon, fall arrived and our parish and collaborative sprang to life at full speed. Our Youth Mass was packing in crowds of 400 with our teens participating in large numbers as musicians, singers, Eucharistic ministers, and lectors. Our service ministries were thriving and we offered myriad opportunities for adult faith enrichment. And then the weekend of March 14 arrived and everything changed. The unthinkable happened. The global pandemic necessitated our closing the doors of the church for months on end.

Despite these unprecedented challenges, the life of our parish and collaborative never stopped but rather adapted to the reality at hand. First, we sprang into action with a robust online presence. We were able to celebrate Mass "together" virtually. Our staff offered reflections on our collaborative blog, led bible studies and faith sharing groups... all virtually. We found creative ways to minister to the sick. On one occasion, I offered prayers for the dying while standing on a stepladder and speaking through a bedroom window!

As restrictions have been lifted somewhat, we have resumed public Mass on the lawns of our churches, our own "Tanglewood East." We have celebrated many baptisms, first communions, funerals, and have heard countless confessions. The celebration of these sacraments has brought tears to peoples' eyes as we realize how much we treasure our faith in this time of deprivation. Our St. Vincent de Paul Society has been busier than ever in serving the needy of our community. Our amazing parishioners and staff have continued to serve the needs of the Rwandan refugee family we are sponsoring with all of the challenges that come from the demands of social distancing.

Our parish needs your help as we continue to minister in these very challenging circumstances. We do not know what the future holds or how long it will be before we are able to resume in-person Masses at full capacity. Despite not making our budgeted goals for the Offertory and Annual Appeal collections in the last fiscal year, we ended the year with a surplus thanks to unexpected gifts from several generous parishioners. However, we are currently behind where we were last year for both collections. Since most of the usual weekly offertory collections are not being received, we must rely on donations sent into the office and given online. Please consider online giving as a means of assuring a consistent source of income to fund our many ministries. In these challenging times, your parish continues to be there for you. Your generous financial support will assure our ability to continue to do so in the year ahead.

The life of our parish looks very different from the way it did six months ago. Despite this, through the creativity and devotion of our staff and volunteers, and through the great generosity of our parishioners, St. John Parish continues to thrive. 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 2020

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, 2020

Dear Father Laughlin,

The financial statements of St. John the Evangelist Parish (the Parish) consist of the accounts of the Central Office of the Parish, including 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 the Parish financial statements, and are attached separately and discussed in greater detail on subsequent pages.

We present the following PARISH unaudited financial statements as of June 30, 2020:

- 1. Statement of Revenue and Expenditures** (actual results for the fiscal years ended June 30, 2019 and 2020, and budgets for the fiscal years ended June 30, 2020 and 2021)
- 2. Statement of Financial Position** or balance sheet (as of June 30, 2019 and 2020)

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

- **For the fiscal year ended June 30, 2020**, the Parish reported an Operating Surplus of \$69,209 when excluding payments on pledges to the Capital Campaign and excluding expenditures for capital improvements.
- **Operating Revenue** sources are grouped together at the top of the Statement of Revenue and Expenditures. As compared to fiscal year 2019, Total Operating Revenue increased by \$8,927 to \$1,019,756 for the year ended June 30, 2020. Both the Weekly Offertory and Annual Appeal decreased by \$20,662 and \$7,433 respectively, most likely due to the global pandemic and suspension of in-person Masses. However, Gifts & Donations grew by \$47,703, more than making up for those decreases. Generous parishioners substantially increased their giving to The Catholic Appeal, thereby generating an increase in the parish's rebate of \$17,277. Declines in other revenue sources included a decrease in Sacramental Offerings of \$7,563, in Religious Education of \$1,603, and in Miscellaneous Income of \$19,220.
- **Operating Expenses** decreased by \$39,490 for the year ending June 30, 2020 as compared to spending for the year ended June 30, 2019. The largest driver of this change was a \$21,876 decrease in Property Maintenance, consisting of decreases in heating, electric, water & sewer, and building and grounds maintenance, partially offset by rises in property & liability insurance, and equipment spending. Music & Liturgical Expenses saw the next biggest drop, with a decrease of \$9,810 mainly due to a decrease in altar supplies and missalettes that can be traced to the suspension of Masses in March 2020, as well as lowered spending on books and pamphlets. Religious Education spending declined by \$4,080, largely in part to the

decreased use of books and the switch to video and on-line programs. Small decreases occurred in Administrative, Rectory & Household, Parish Tithe, and Miscellaneous Expenses. Salary and Benefits was the only category to increase, with a modest addition of \$1,314. Certain fiscal year 2019 amounts have been reclassified to conform with fiscal 2020 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, 2020 St. John the Evangelist Parish has received \$1,533,134. From the funds contributed to the Capital Campaign, spending totaled \$1,085,307 through June 30, 2020. Work funded by the Capital Campaign in fiscal year 2020 included installing snow rails on the church roof to prevent ice dams and improved parking lot lighting, and investing in required upgrades to the church's wireless microphones and sound system. The majority of fiscal year 2020 spending was to remodel one of the rectory bathrooms, which was had not been updated in nearly 70 years. The Parish expects to receive payment of the outstanding commitments in the next few years and will continue to use the money received exclusively to pay for capital expenditures and repairs to its buildings and properties.
- **Fiscal Year 2021 Budget.** The fiscal year 2021 budget assumes that the Weekly Offertory and Annual Appeal categories will mostly resume their fiscal year 2019 levels. These increases, in conjunction with planned decreases in Salary and Benefits, Religious Education, and Miscellaneous Expenses, should yield a small operating surplus for fiscal year 2021. However, the decreased amount of in-person Masses, coupled with lower capacity limits due to social distancing requirements, will present a significant challenge to realizing the 2021 budgeted results. It should be noted that in fiscal 2020, Offertory declined by 4.2% after Masses were suspended in March. This decline was compensated by a 90% increase in Gifts and Donations over 2019.
- **Statement of Financial Position as of June 30, 2020.** The Parish received a federal CARES Act/Paycheck Protection Plan forgivable loan in the amount of \$115,100, for which use is restricted to spending on salary and benefits and utilities. The loan proceeds, which are reflected in the Restricted Cash & Cash Equivalents - Other and Notes Payable categories, were fully expended for their restricted purpose during the fall of 2020, and the loan forgiveness is expected to be shown in the fiscal year 2021 financial statements. 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, 2020

We present the following SCHOOL unaudited financial statements as of June 30, 2020:

- 1. Statement of Revenue and Expenditures** (actual results for the fiscal years ended June 30, 2019 and 2020, and budgets for the fiscal years ended June 30, 2020 and 2021)
- 2. Statement of Financial Position** or balance sheet (as of June 30, 2019 and 2020)

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

- **For the fiscal year ended June 30, 2020**, the School reported an operating surplus of \$76,503 before capital expenditures of \$8,276, as compared to the fiscal year ended June 30, 2019 when the school reported an operating deficit of \$79,761 before capital expenditures of \$131,320 and extraordinary items of \$144,628. This change is due to both a \$121,440 increase in Operating Revenue, as well as a \$34,824 decrease in Operating Expenses. A small increase in enrollment, together with a 5% average tuition increase led to an increase in net Tuition of \$104,245. An increase in net Fundraising & Other Donations of \$42,520 was partially offset by a reduction in Other Income & Fees. Decreases in Administrative, After School & Athletics, and Property Maintenance Expenses were primarily due to the move to remote learning, beginning in March 2020. The \$7,996 increase in Miscellaneous Expenses includes additional spending on marketing and recruitment, one-time accounting write-offs, and the cost of a new laminator, which was paid for by families' donations.
- **Revenue** sources are grouped together at the top of the Statement of Revenue and Expenditures and totaled \$1,916,428 for the fiscal year ended June 30, 2020. The School's major sources of revenue are: (i) funds for a child attending the School (tuition, registration fees, and after school and athletics programs), which totaled \$1,573,334 or 82% of total revenue, (ii) School fund raising, net of fundraising expenses, which totaled \$224,523, or 12% of total revenue, and (iii) the Parish's subsidy of \$50,000, or 3% of total revenue. Despite the global pandemic environment, the Annual Fund surpassed its goal by 35% and the biennial Auction, although moved to a virtual platform, over-achieved its target as well.
- **Operating Expenses** decreased by \$34,824 or 2% during fiscal year 2020. Salary and Benefits, which comprises 91% of Total Operating Expenses, increased less than 1% over the prior fiscal year. The school continued to leverage prior year investments in technology and professional development. As enrollment increased by 39% for the upcoming fiscal year, the fiscal 2021 budget includes increases in nearly every expense category, as well as necessary capital investments required to reopen the school during the global pandemic.
- **Capital Expenditures and Extraordinary Items.** In fiscal year 2020, Capital Expenditures totaling \$8,276 consisted of the purchase of tables and chairs for the early childhood program and unanticipated capital repairs to the heating system. Anticipated loan forgiveness for the school's \$287,000 CARES Act/Paycheck Protection Loan is shown as an extraordinary item in the fiscal 2021 budget.

Attached are the 2019 and 2020 actual and budgeted financial statements for the Parish and the School.

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

Robert McDonnell, Chair

Bryan Belton

Joe Creonte

Lucy Kapples

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

	2019 Actual	2020 Budget	2020 Actual	2021 Budget
Operating Revenue				
Offertory	\$ 487,224	\$ 488,500	\$ 466,562	\$ 488,500
Annual Appeal	355,740	350,000	348,307	350,000
Sacramental Offerings	26,642	23,000	19,079	20,000
Gifts and Donations	53,170	37,800	100,873	12,800
Religious Education	43,991	44,000	42,388	41,800
Catholic Appeal Rebate	13,049	3,496	30,326	9,000
Interest Income	7,917	6,500	8,345	6,000
Miscellaneous	23,096	6,163	3,876	2,475
Total Operating Revenue	1,010,829	959,459	1,019,756	930,575
 Operating Expenses				
Salary and Benefits	584,691	585,488	586,005	557,976
Other Operating Expenses				
Administrative	31,277	34,675	30,770	32,400
Music and Liturgical	33,147	23,500	23,337	20,750
Religious Education	16,154	18,800	12,074	10,200
Rectory and Household	23,250	23,000	22,392	21,000
Property Maintenance	182,284	179,035	160,408	178,149
Parish Tithe	42,511	42,511	41,300	42,991
School Tithe	50,000	50,000	50,000	50,000
Miscellaneous	26,723	2,450	24,261	13,500
Total Other Operating Expenses	405,346	373,971	364,542	368,990
Total Operating Expenses	990,037	959,459	950,547	926,966
 Operating Surplus/(Deficit) before Capital Expenditures	20,792	-	69,209	3,609
 Capital Expenditures (1)	-	-	-	-
 Net Surplus/(Deficit)	\$ 20,792	\$ -	\$ 69,209	\$ 3,609

(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, 2019</u>	<u>Jun 30, 2020</u>
ASSETS		
Cash & Cash Equivalents		
Cash & Cash Equivalents - Unrestricted	\$338,143	\$381,551
Cash & Cash Equivalents - Restricted for Capital Campaign Proceeds	503,031	460,340
Cash & Cash Equivalents - Other Restricted	194,835	311,165
Total Cash & Cash Equivalents	<u>1,036,009</u>	<u>1,153,056</u>
Other Assets		
Accounts Receivable	5,827	27,802
Total Other Assets	<u>5,827</u>	<u>27,802</u>
TOTAL ASSETS	<u>\$1,041,836</u>	<u>\$1,180,858</u>
LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable & Other Current Liabilities	\$2,141	\$20,517
Deposits	30,405	17,755
Notes Payable	0	115,100
Total Liabilities	<u>32,546</u>	<u>153,372</u>
Net Assets		
Unrestricted Net Assets		
Undesignated	192,742	120,466
Designated for Capital Expenditures	118,682	135,515
Total Unrestricted Net Assets	<u>311,424</u>	<u>255,981</u>
Restricted Net Assets		
Temporarily Restricted - Capital Campaign	503,031	460,340
Temporarily Restricted - Other	194,835	311,165
Total Restricted Net Assets	<u>697,866</u>	<u>771,505</u>
Total Net Assets	<u>1,009,290</u>	<u>1,027,486</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$1,041,836</u>	<u>\$1,180,858</u>

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

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

	2019 Actual	2020 Budget	2020 Actual	2021 Budget
Operating Revenue				
Regular & Stay Day Tuition, net of Financial Aid	\$ 1,210,862	\$ 1,306,483	\$ 1,315,107	\$ 1,796,677
Registration Fees	74,880	83,625	86,250	120,450
After School & Athletics Programs	173,838	155,000	171,977	115,000
Fundraising & Other Donations	181,971	200,000	224,523	105,000
Parish Transfer	50,000	50,000	50,000	50,000
RCAB Support	44,742	39,477	39,477	37,000
Interest Income & Market Gain				
Other Income and Fees	58,695	20,000	29,094	20,000
Total Operating Revenue	1,794,988	1,854,585	1,916,428	2,244,127
Operating Expenses				
Salary and Benefits	1,654,416	1,619,583	1,665,620	1,703,239
Other Operating Expenses				
Administrative	24,558	26,000	18,882	26,000
Texts, Instructional & Teaching Supplies	23,597	23,000	25,278	45,520
After School & Athletics Programs	36,200	36,000	21,914	36,000
Property Maintenance	107,451	103,150	77,092	116,935
Technology & Professional Development	9,331	12,000	3,947	22,000
Miscellaneous	19,196	34,852	27,192	45,500
Total Other Operating Expenses	220,333	235,002	174,305	291,955
Total Operating Expenses	1,874,749	1,854,585	1,839,925	1,995,194
Operating Surplus/(Deficit) before Capital Expenditures and Extraordinary Items	(79,761)	-	76,503	248,933
Capital Expenditures	(131,320)	-	(8,276)	(62,651)
Extraordinary Items	(144,628)	-		287,200
Net Surplus/(Deficit)	\$ (355,709)	\$ -	\$ 68,227	\$ 473,482

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

SAINT JOHN SCHOOL
Statements of Financial Position
as of June 30

	Jun 30, 2019	Jun 30, 2020
ASSETS		
Cash & Cash Equivalents - Unrestricted	\$845,471	\$1,054,518
Accounts Receivable & Other Current Assets	642,162	592,752
TOTAL ASSETS	\$1,487,633	\$1,647,270
 LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable	(\$395)	\$20,065
Accrued Payroll	\$126,618	\$103,553
Deferred Revenue	1,265,045	1,071,860
Notes Payable	0	287,200
Total Liabilities	1,391,268	1,482,678
Total Unrestricted Net Assets	96,365	164,592
TOTAL LIABILITIES & NET ASSETS	\$1,487,633	\$1,647,270

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