

St. John the Evangelist

ANNUAL FINANCIAL REPORT



October 2021

My dear friends in Christ,

When I penned this letter at this time last year, I was certain that in 2021 we would be entering a “normal” fall season in our parish and collaborative. While things are certainly better, the global pandemic continues to affect our lives in so many ways, and we realize our need for God and our faith community more profoundly than ever. These are indeed challenging times, and thanks to your support, St. John the Evangelist Parish is meeting the challenge. Our superb collaborative staff continues to respond in creative ways, and the many lessons learned and skills acquired over the past year and a half will enhance our ministries for years to come.

Our investment in live stream technology allows those who can’t worship in person at this time the best possible virtual experience. It also enables grieving family and friends from across the globe to be present at funeral services held in our sanctuaries, providing a source of comfort for so many. And it allows grandparents who can’t be physically present to share in the joy of baptisms, First Communions, and weddings.

Our Adult Faith Enrichment offerings - Bible studies, small group faith sharing, bereavement programs, men’s and women’s groups, and expert speakers - have continued throughout the pandemic. We are now providing hybrid offerings, combining in-person and virtual options, so everyone can participate according to their comfort level. Our Service and Outreach to those on the margins has grown throughout the pandemic. Our St. Vincent de Paul Society continues to provide emergency assistance with food, rent, and other expenses to those in need in our local community. Through our POWIR partnership, parishioners cared for and supported the Rwamuhinda family, refugees who arrived in Boston at the beginning of the pandemic and are now completely financially self-sufficient - a beautiful example of the success of our faithful volunteers and Catholic Charities. We are dedicated to continuing the POWIR partnership and supporting the acute need of arriving Afghan refugees in the coming weeks.

Inspired by the vibrancy and joy of the Collaborative *Sunday 5pm Youth Mass* and the way it has reinvigorated our Confirmation and Youth Ministry programs, we recently launched a new Collaborative *Sunday 9am Family Mass*, which serves as the centerpiece of our Collaborative Religious Education program for children in Grades 1-5. In a significant way, this is our Collaboration coming to full fruition!

One of the silver linings of the pandemic is the unprecedented increase in enrollment at Saint John School. Our staff worked tirelessly to prepare for our expanded student base and 100% in-person learning model last year, and the great news is that we have maintained this higher enrollment level for the 2021-2022 academic year. I am overjoyed that so many children and families are experiencing the beauty of a Catholic education.

St. John Parish has experienced a significant decrease in the Weekly Offertory during the past fiscal year. Thankfully, your support for the Annual Appeal, combined with substantial unrestricted giving from generous donors, has offset this reduction. The Parish cannot, however, continue to rely on these unexpected gifts to fund day-to-day operations. Your generous support of both the Weekly Offertory and the Annual Appeal is critical to ensuring that St. John Parish continues to thrive in the years ahead. You make the mission of our parish possible and for this I am ever grateful.

As I begin my sixth year as your pastor, I am grateful to God for the privilege of serving in a community of such committed disciples of Jesus Christ. Your living faith inspires me every day.

Sincerely yours in Christ,

Reverend James J. Laughlin, Pastor

October 2021

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

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, and the Parish Center. 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.

ST. JOHN PARISH Financial Report for the Fiscal Year Ended June 30, 2021

We present the following PARISH unaudited financial statements as of June 30, 2021, along with the highlights and explanatory comments below:

STATEMENTS OF CHANGES IN NET ASSETS (actual results for the fiscal years ended June 30, 2020 and 2021, and budgets for the fiscal years ended June 30, 2021 and 2022)

- **For the fiscal year ended June 30, 2021**, the Parish reported an Operating Surplus of \$67,586 and a Total Net Surplus of \$146,399. Contributing to this result was both the ability to maintain consistent Total Operating Revenue year over year, as well as the ability to hold the growth in Total Operating Expenses to 1%, despite the global pandemic. The Parish also received official forgiveness of its CARES Act/Paycheck Protection Plan (“PPP”) Loan of \$115,100, which is shown as Gain on Extinguishment of Loan.
- **Operating Revenue** increased slightly from \$1,019,756 for the year ended June 30, 2020 to \$1,020,971 for the year ended June 30, 2021. Although Weekly Offertory declined by 21% to \$369,549, generous parishioners increased their giving to the Annual Appeal by 9%, to total \$380,998. Most significantly, Gifts & Donations increased by 79% from \$100,873 for fiscal year 2020 to \$181,035 for fiscal year 2021. Year over year, other notable decreases occurred in Religious Education Revenue, which declined by 23% or \$9,853 and Interest Income, which declined by 67% or \$5,582. Smaller changes occurred in the Sacramental Offerings, Catholic Appeal Rebate, and Miscellaneous Income categories.
- **Operating Expenses** increased by \$9,480 to \$953,385 for the year ending June 30, 2021 as compared to spending for the year ended June 30, 2020. The largest contributor to this change was the \$40,647 or 26% rise in spending on Property Maintenance, which includes a \$9,679 increase in Property & Liability Insurance, a \$6,275 increase in snow removal costs, \$7,684 spent on tree pruning and removal, \$3,335 spent on HVAC repair for the church, and increased cleaning costs. Administrative Expenses also increased by \$4,909, mostly due to computer hardware purchases, as well as spending on subscriptions to Zoom, Vimeo, and Mass Intentions Online software. The only other expense category to increase was the Parish Tithe, which is set by and paid to the Archdiocese of Boston. Reductions in several other expense categories helped to offset these increases. Salary and Benefits declined by 2% or \$12,671 due to additional sharing of employees across the Collaborative as well as lowered utilization of musicians based on the reduced mass schedule caused by the pandemic. The pandemic and the reduced mass schedule also impacted Music and Liturgical spending, which had a total spending reduction of 51% or \$12,356. Miscellaneous Expenses decreased by 71% or \$17,301, as fiscal year 2020 included a sizeable amount of write-offs of old balances. Smaller decreases occurred in Religious Education and Rectory and Household costs. Certain fiscal year 2020 amounts have been reclassified to conform with fiscal 2021 presentation.

- **Net Assets Released from Restrictions** reflects the use of donor restricted funds for their intended purpose, and is shown as an increase in Net Assets without Donor Restrictions and as a corresponding decrease in Net Assets with Donor Restrictions.
- **Capital Expenditures.** The Parish embarked on its highly successful *Faith in Our Future* Capital Campaign during fiscal year 2014. More than ninety-nine percent of donations, including gifts and pledge payments, were received in cash by the end of fiscal year 2018. Remaining payments received are recorded in the Contributions line item in the Net Assets with Donor Restrictions category. The Parish spent a total of \$38,567 on capital items during fiscal year 2021, which were fully paid for by capital campaign proceeds, and included purchase and installation of the church's Livestream system and repairs to the church's Music Sacristy, Ledyard Street entrance, chimney, and to the Parish Center. The Parish currently has \$430,042 available from its campaign proceeds, which will be used exclusively to fund capital expenditures and repairs to its buildings and properties.
- **Fiscal Year 2022 Budget.** Fiscal year 2022 has been budgeted to result in a nominal Total Net Surplus of \$1,505. To achieve this result, the budget assumes that the Weekly Offertory receipts will resume their pre-pandemic level and therefore continue to be budgeted at \$488,500. All other Operating Revenue categories are conservatively budgeted at lower levels than fiscal 2021 actual results. Operating Expenses are expected to decrease from fiscal 2021 amounts in Salary and Benefits, Administrative, Rectory and Household, School Tithe, and Miscellaneous categories, which should result in a lower total Operating Expense.

STATEMENTS OF FINANCIAL POSITION (as of June 30, 2020 and 2021)

- **Cash & Cash Equivalents** grew by 8% or \$92,227 during fiscal 2021, thanks to the continuing generosity of parishioners and friends.
- **Accounts Receivable** represents transactions with the other Collaborative entities of Saint John School and St. Paul Parish. The fiscal year 2021 total declined by \$6,171 or 22% from fiscal year 2020.
- **Deposits** increased substantially by \$54,787, or 309%, from fiscal 2020. Fiscal 2021's Deposits total of \$72,542 includes \$34,586 of Religious Education tuition paid during fiscal 2021 in advance of the fiscal 2022 year. At June 30, 2020, there had been no advance Religious Education payments received, so this component of the balance was \$0. Other dollars in that line item include amounts held for others to be used for charitable purposes, such as POWIR and Christmas Wish.
- **Notes Payable** at the end of fiscal year 2020 reflected the federal CARES Act/Paycheck Protection Plan loan in the amount of \$115,100. When that loan was officially forgiven during fiscal 2021, it was removed from the Liabilities section of the Statement of Financial Position.
- **Net Assets** are divided between those that have donor restrictions and those that do not have donor restrictions. Unspent Capital Campaign funds are included in the Net Assets with Donor Restrictions line item.

As required by the Archdiocese of Boston, the unaudited financial statements of the Parish and the School have been prepared on a basis of accounting that is not in accordance with generally accepted accounting principles; the property, plant and equipment of the Parish and the School are not reported in the associated Statements of Financial Position, and all improvements and repairs are expensed when incurred. This has been done over the years to more accurately reflect the annual cash costs to maintain and upkeep the Parish and School's property and facilities.

[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, 2021

We present the following SCHOOL unaudited financial statements as of June 30, 2021, along with the highlights and explanatory comments below:

STATEMENTS OF CHANGES IN NET ASSETS (actual results for the fiscal years ended June 30, 2020 and 2021, and budgets for the fiscal years ended June 30, 2021 and 2022)

- **For the fiscal year ended June 30, 2021**, the School experienced a 38% increase in enrollment as compared to fiscal year 2020, which resulted in 34% or \$640,992 growth in Total Operating Revenue. The corresponding increase in Total Operating Expenses was only 10% or \$174,656, which led to an Operating Surplus of \$540,486. The School also received official forgiveness of its \$287,200 PPP Loan, which is shown as Gain on Extinguishment of Loan. Total Change in Net Assets grew from \$68,227 for fiscal year ended 2020 to \$835,987 for fiscal year ended 2021.
- **Operating Revenue** is mostly comprised of three sources (i) funds for a child attending the School (Tuition, Registration Fees, and After School and Athletics Programs), which totaled \$2,260,784 or 89% of total revenue, (ii) School fund raising, net of fundraising expenses, which totaled \$178,710, or 7% of total revenue, and (iii) the Parish's subsidy of \$50,000, or 2% of total revenue. An additional \$71,266 was raised and expended for the purchase and installation of safety bollards, and is included in the Capital Expenditures, net of fundraising line item.
- **Operating Expenses** increased in all categories, except for After School & Athletics Programs, due to the jump in enrollment. Directly related to the increase in students was the \$98,363 increase in Salary and Benefits and the \$23,323 increase in Texts, Instructional & Teaching Supplies. Total growth in Property Maintenance Expense of \$29,596 includes a \$23,267 increase in the cleaning and disinfecting required to remain 100% open for in-person learning during the pandemic. Technology & Professional Development increased by \$12,314 due to additional hardware and software costs of the higher number of students. The increase in the Miscellaneous category is mostly attributable to pandemic operation costs such as student desk shields and pooled COVID testing.
- **Capital Expenditures, net of Fundraising** increased by \$87,479 from fiscal 2020. In addition to the safety bollards that were fully funded by donations, Capital Expenditures included \$26,071 for air purifiers, \$30,040 for student chromebooks, \$12,600 for teacher laptops, \$10,168 for upgrades to the network infrastructure, \$9,325 for air conditioning repair and upgrade, and \$7,551 for Touchview boards.
- **Contributions** of \$66,745 in the Net Assets with Donor Restrictions section represent gifts for Scholarships of \$59,700 and the unspent portion of donations for student safety of \$7,045. These dollars will be utilized in future school years, and their use will then be reflected as Net Assets Released from Restrictions.

STATEMENTS OF FINANCIAL POSITION (as of June 30, 2020 and 2021)

- **Cash & Cash Equivalents** grew by \$927,210 as a result of the increased enrollment for 2020-2021.
- **Accounts Receivable & Other Current Assets** increased by \$706,339 or 119% due to the enrollment increase, which occurred after June 30, 2020 and will be sustained in fiscal year 2022.
- **Deferred Revenue** more than doubled, growing by \$1,078,155, due to the increase in enrollment.
- **Notes Payable** at the end of fiscal year 2020 reflected the federal CARES Act/Paycheck Protection Plan loan in the amount of \$287,200. When that loan was officially forgiven during fiscal 2021, it was removed from the Liabilities section of the Statement of Financial Position.
- **Net Assets** are divided between those that have donor restrictions and those that do not have donor restrictions. The \$66,745 of unspent 2021 Contributions appear as Net Assets with Donor Restrictions, while the remaining \$933,834 of Net Assets do not have any donor restrictions placed upon them.

As required by the Archdiocese of Boston, the unaudited financial statements of the Parish and the School have been prepared on a basis of accounting that is not in accordance with generally accepted accounting principles; the property, plant and equipment of the Parish and the School are not reported in the associated Statements of Financial Position, and all improvements and repairs are expensed when incurred. This has been done over the years to more accurately reflect the annual cash costs to maintain and upkeep the Parish and School's property and facilities.

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 Changes in Net Assets
for the years ended June 30

	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Budget</u>
Net Assets without Donor Restrictions:				
Operating Revenue				
Offertory	\$ 466,562	\$ 488,500	\$ 369,549	\$ 488,500
Annual Appeal	348,307	350,000	380,998	350,000
Sacramental Offerings	19,079	20,000	22,005	20,000
Gifts and Donations	100,873	12,800	181,035	34,000
Religious Education	42,388	41,800	32,535	30,000
Catholic Appeal Rebate	30,326	9,000	28,527	7,347
Interest Income	8,345	6,000	2,763	2,000
Miscellaneous	3,876	2,475	3,559	2,475
Total Operating Revenue	<u>1,019,756</u>	<u>930,575</u>	<u>1,020,971</u>	<u>934,322</u>
Operating Expenses				
Salary and Benefits	586,005	557,976	573,334	561,072
Administrative	34,352	32,400	39,261	31,800
Music and Liturgical	24,087	20,750	11,731	19,900
Religious Education	12,074	10,200	9,747	12,470
Rectory and Household	22,392	21,000	21,543	21,000
Property Maintenance	156,076	178,149	196,723	198,624
Parish Tithe	41,300	42,991	42,991	43,501
School Tithe	50,000	50,000	50,000	40,000
Miscellaneous Expense	24,261	13,500	6,960	4,450
Net Assets Released from Restrictions	(6,642)	-	1,095	-
Total Operating Expenses	<u>943,905</u>	<u>926,966</u>	<u>953,385</u>	<u>932,817</u>
Operating Surplus/(Deficit) before Non-operating Items	<u>75,851</u>	<u>3,609</u>	<u>67,586</u>	<u>1,505</u>
Capital Expenditures	(52,230)	-	(38,567)	-
Gain on Extinguishment of Loan	-	115,100	115,100	-
Net Assets Released from Restrictions	42,691	-	30,298	-
Net Surplus/(Deficit) in Net Assets without Donor Restrictions	<u>66,312</u>	<u>118,709</u>	<u>174,417</u>	<u>1,505</u>
Net Assets with Donor Restrictions:				
Contributions	1,230	-	1,185	-
Net Assets Released from Restrictions	(49,333)	-	(29,203)	-
Net Surplus/(Deficit) in Assets with Donor Restrictions	<u>(48,103)</u>	<u>-</u>	<u>(28,018)</u>	<u>-</u>
Total Change in Net Assets	<u><u>\$ 18,209</u></u>	<u><u>\$ 118,709</u></u>	<u><u>\$ 146,399</u></u>	<u><u>\$ 1,505</u></u>

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

	Jun 30, 2020	Jun 30, 2021
ASSETS		
Cash & Cash Equivalents	\$ 1,153,056	\$ 1,245,283
Accounts Receivable	27,802	21,631
TOTAL ASSETS	\$ 1,180,858	\$ 1,266,914
LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable & Other Current Liabilities	\$20,517	\$20,487
Deposits	17,755	72,542
Notes Payable	115,100	-
Total Liabilities	153,372	93,029
Net Assets		
Net Assets without Donor Restrictions	387,742	562,159
Net Assets with Donor Restrictions	639,744	611,726
Total Net Assets	1,027,486	1,173,885
TOTAL LIABILITIES & NET ASSETS	\$1,180,858	\$1,266,914

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

SAINT JOHN SCHOOL
Statements of Changes in Net Assets
for the years ended June 30

	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Budget</u>
Net Assets without Donor Restrictions:				
Operating Revenue				
Tuition, net of Financial Aid	\$ 1,315,107	\$ 1,796,677	\$ 1,976,675	\$ 2,025,964
Registration Fees	86,250	120,450	122,650	122,650
After School & Athletics Programs	171,977	115,000	161,459	125,000
Fundraising & Other Donations	224,523	105,000	178,710	90,000
Parish Transfer	50,000	50,000	50,000	40,000
RCAB Support	39,477	37,000	36,423	36,423
Other Income and Fees	26,741	20,000	29,150	43,200
Total Operating Revenue	<u>1,914,075</u>	<u>2,244,127</u>	<u>2,555,067</u>	<u>2,483,237</u>
Operating Expenses				
Salary and Benefits	1,665,620	1,703,239	1,763,983	1,957,100
Administrative	24,680	26,000	28,104	32,000
Texts, Instructional & Teaching Supplies	25,278	45,520	48,601	56,000
After School & Athletics Programs	20,685	36,000	12,637	30,000
Property Maintenance	71,294	116,935	100,890	107,200
Technology & Professional Development	3,947	22,000	16,261	10,000
Miscellaneous	28,421	45,500	44,105	29,200
Net Assets Released from Restrictions	-	-	-	-
Total Operating Expenses	<u>1,839,925</u>	<u>1,995,194</u>	<u>2,014,581</u>	<u>2,221,500</u>
Operating Surplus/(Deficit) before Non-operating Items	<u>74,150</u>	<u>248,933</u>	<u>540,486</u>	<u>261,737</u>
Gain/(loss) on Market Value of Investments	2,353	-	37,311	-
Capital Expenditures, net of fundraising	(8,276)	(62,651)	(95,755)	(58,000)
Gain on Extinguishment of Loan	-	287,200	287,200	-
Net Surplus/(Deficit) in Assets without Donor Restrictions	<u>68,227</u>	<u>473,482</u>	<u>769,242</u>	<u>203,737</u>
Net Assets with Donor Restrictions:				
Contributions	-	-	66,745	-
Net Assets Released from Restrictions	-	-	-	-
Net Surplus/(Deficit) in Assets with Donor Restrictions	<u>-</u>	<u>-</u>	<u>66,745</u>	<u>-</u>
Total Change in Net Assets	<u>\$ 68,227</u>	<u>\$ 473,482</u>	<u>\$ 835,987</u>	<u>\$ 203,737</u>

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

SAINT JOHN SCHOOL
Statements of Financial Position
as of June 30

	<u>Jun 30, 2020</u>	<u>Jun 30, 2021</u>
ASSETS		
Cash & Cash Equivalents	\$1,054,518	\$1,981,728
Accounts Receivable & Other Current Assets	592,752	1,299,091
TOTAL ASSETS	<u><u>\$1,647,270</u></u>	<u><u>\$3,280,819</u></u>
 LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable	\$20,065	\$26,320
Accrued Payroll	103,553	103,905
Deferred Revenue	1,071,860	2,150,015
Notes Payable	287,200	-
Total Liabilities	<u>1,482,678</u>	<u>2,280,240</u>
Net Assets		
Net Assets without Donor Restrictions	164,592	933,834
Net Assets with Donor Restrictions	-	66,745
Total Net Assets	<u>164,592</u>	<u>1,000,579</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$1,647,270</u></u>	<u><u>\$3,280,819</u></u>

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