

St. John the Baptist Catholic Church & School 2021 Fiscal Year-End Financial Report

This past fiscal year our parish invited you in to live out a generous spirit, even in the midst of a pandemic, and you did! As a result of your generosity, careful parish budgeting and attentive stewardship of our resources, St. John the Baptist Church & School is in good financial condition. In addition to being a large, growing parish, we are blessed with a thriving school serving families of diverse backgrounds and economic circumstances. We are grateful to all of our parishioners and our school families for their ongoing commitment to our core values of a reliance on prayer, a willingness to grow and a generous spirit. So many of you have made this commitment and have lived it out so well! We are pleased to present this financial report for your information and review.

The accompanying financial report summarizes St. John's operating revenue and expenses. The columns shown on the report are as follows:

Column 1: Actual results for the most recent fiscal year ended June 30, 2021

Column 2: Actual results for the prior fiscal year ended June 30, 2020

Column 3: Our projected budget for the new (current) fiscal year ending June 30, 2022.

Income is shown both before and after unusual one-time adjustments. Detailed line item explanations are as follows, corresponding to the lettered notations in the report:

a. Sunday/Holy Day Giving for 2020/21 was up over prior year (5.3%) due to our parishioners' ongoing commitment to support the parish and its ministries through the course of the pandemic. Thank you!

b. School Tuition Revenue for 2020/21 rose due to increased K-8 enrollment over 2019/20. Our enrollment for 2019/20 was 243, while our 2020/21 enrollment was 308. Our current (2021/22) K-8 enrollment is at 327. Our budgeted School Tuition Revenue for 2021/22 was based on a conservative projected K-8 enrollment of 295 students. We budgeted conservatively for 2021/22 due to uncertainty about the strength of our retention in the later part of the pandemic. We are happy to report that for our current year we have a retention rate of 91% of the higher enrollment we saw during 2020/21.

c. Other School Revenue declined for 2020/21 due to the end of the final year of the One Spirit Many Gifts (OSMG) revenue stream that supported our religious sisters in the school (now integrated into our school budget); a reduction in financial aid income to offset awarded financial assistance to our school families; and reduced student activity fees and reduced utilization of school-sponsored childcare (J-Care).

d. Other Parish Revenue was down in 2020/21 due to the OSMG campaign ending in June 2020, which had supported several ministries in 2019/20, and lower investment revenue. Also, the Knights of Columbus car sales contributed \$8,950 in income in 2019/20 that we did not realize in 2020/21.

e. Salary and Benefits - Parish expense in this category rose in 2020/21 due to a new pastoral care position, increased maintenance staffing to maintain our pandemic cleaning protocols, cost of living increases for staff and increased benefits costs, partially offset by reduced hours for part-time staff during the shutdown. Budgeted costs for 2021/22 are up primarily due to anticipated benefit cost and staff increases, including additional staff to strengthen our ministries.

f. Salaries and Benefits - School expense in this line includes administration, teachers, J-Care, our lunch program and our preschool. Due to COVID-19 requirements and increased enrollment in both preschool and K-8 in 2020/21, we increased staffing and hours in order to handle the demand. Thus, salaries and benefits were higher than budgeted.

St. John the Baptist Operating Revenue and Expenses				
<u>Fiscal Years Ending June 30:</u>	<u>Actual</u>		<u>Budget</u>	
	<u>2020-21</u>	<u>2019-20</u>	<u>2021-22</u>	
Sunday and Holy Day Collections	\$ 2,181,050	a \$ 2,071,906	\$ 2,303,068	
School Tuition Revenue	1,560,082	b 1,160,728	1,529,575	
Other School Revenue	892,271	c 968,137	952,563	
Other Parish Revenue	236,143	d 282,604	281,110	
Total Revenue	4,869,546	4,483,375	5,066,316	
Salary and Benefits - Parish	1,141,823	e 1,090,539	1,439,336	
Salary and Benefits - School	2,004,673	f 1,908,859	2,130,895	
Facilities and Operations Expenses	541,896	g 497,734	543,516	
School Operating Expenses	827,501	h 670,243	718,799	
Parish Ministry Expenses	139,550	i 162,943	233,770	
Total Expenses	4,655,443	4,330,318	5,066,316	
Net before Adjustments	214,103	\$ 153,057	\$ -	
PPP Loan Forgiveness	510,800	j 0		
Tuition Assistance Adjustment	(73,564)	k 0		
Prior Year Bad Debt	(103,368)	l 0		
Allocation to Capital	(375,000)	m (153,057)		
Net after Adjustments	\$172,971	\$0		

- g. Facilities and Operations Expenses were up due primarily to an increase in our Archdiocesan assessment (\$26,466) and higher maintenance costs as our buildings continue to age.
- h. School Operations Expenses increased due to the cost of bussing (\$77,750) being absorbed into the school budget (it had been covered by a grant in prior years), the lease of additional student computers due to higher enrollment, an increase in allowance for bad debts and higher lunch program expense.
- h. Parish Ministries Expenses declined due largely to reduced programming for much of the 2020/21 fiscal year, because of the pandemic.
- i. St. John's participated in the Paycheck Protection Program of the CARES Act, which helped us maintain our staffing through the uncertainties of the pandemic in 2020/21. We were granted the loan in the amount listed in April 2020 and applied for and obtained forgiveness of the loan in April 2021. This loan was therefore converted to income and was declared not assessable by the Archdiocese. It is recorded in a designated income line and is unlikely to be repeated in the future.
- j. The Tuition Assistance Adjustment shown here relates to our decision to prefund tuition assistance. See explanation below.
- k. For fiscal 2020/21 we booked an allowance for bad debts of \$103,368 that applies to tuition receivables from multiple prior years. This portion of our bad debt reserve should have been booked in prior years and is therefore shown as an adjustment. We continue our efforts to collect these past due tuition receivables.
- l. Our financial surplus for 2020/21 this year enabled us to transfer \$375,000 from our operating checking account to our capital reserves savings account. Having these funds in reserve enables us to cover unforeseen building or mechanical expenses and also supports our planning for renovations and enhancements that we consider priorities in furthering our mission and core values. This was an internal reallocation of parish resources and does not directly affect operating income or expense.

St. John the Baptist Statement of Financial Position		
June 30, 2021		
Assets		
Checking Accounts	Church	1,099,317
	Capital	263,729
	Cemetery	<u>123,536</u>
Total Checking		\$ 1,486,582
Savings Accounts	Church	347,285
	Capital	86,285
	Cemetery	<u>241,126</u>
		\$ 674,696
Accounts Receivable		35,934
Endowments	Operating	1,004,712
	Capital	97,628
	Tuition Assistance	584,374
	Cemetery	243,735
	Pastoral Outreach	<u>69,978</u>
Total Endowments		\$ 2,000,427
Equipment & Furniture		1,058,941
Land & Buildings		27,810,355
Total Assets		<u>\$ 33,066,935</u>
Liabilities		
	Accounts Payable & Accrued Liabilities	211,697
	Paycheck Protection Program	-
Total Liabilities		\$ 211,697
Unrestricted/restricted net assets		32,855,238
Total Liabilities & Net Assets		<u>\$ 33,066,935</u>

Prefunding Tuition Assistance

With this year producing a favorable financial net for our church and school operations, and due to the fact that we typically grant financial assistance early in each fiscal year before we know how much fundraising will support that assistance, we decided to create a process for prefunding tuition assistance. Before closing the books for fiscal year 2020/21 we were able to set aside \$125,000 into a restricted fund, designated for tuition assistance for the 2021/22 school year. This amount was reached with the adjustment amount listed in the report and additional designated donations. With the addition of anticipated grants and other revenue sources, we can plan for a specific amount of tuition assistance for 2021/22. This takes much of the guesswork out of how much aid to give and reduces the school's risk of giving out more aid than we take in for donations. Going forward, then, gifts for our school's tuition assistance that are not specifically designated for the current year will be reserved in a designated fund for prefunding the tuition assistance for the following fiscal year. In this way, your gifts for tuition assistance help build a foundation for the future of St. John the Baptist School!

Your Generosity Continues to Sustain Us

Ultimately it is your generosity, from so many of our parish and school families, that has sustained and even grown our church and school ministries through the difficulties of the past two years. We have all been challenged through the pandemic. Our families—all of you—have continued to demonstrate the importance of our faith, our mission and our core values by maintaining your prayers, your participation and your financial support. Thank you!

If you have questions about this report, or any other questions about parish finances, please contact Mark Dittman, Parish Business Administrator, at 651-633-8333 or email dittmanm@stjohnnyb.org.