

# ***St. John School Financial Outlook***

## ***October 2019***

St. John School is a faith-filled community, built on tradition, engaged in service, and committed to academic achievement. These ideals ring true throughout the halls of this school each and every day. They allow us to instill the values of following Jesus and striving for excellence in our students.

We are successful because of the people in this school community - highly qualified, dedicated, compassionate teachers as well as loving, supportive parents and hard-working, resilient students. We are also successful because St. John School is built on a solid financial plan. The following report will give you more insight in to our financial outlook. This is important because St. John School is currently developing a new strategic plan to ensure our continued growth and sustainability.

St. John School is in an excellent financial position. We (Pastor Fr. Tom Rafferty, Business Manager Anne Guerini, the SJS Advisory Board, and our faculty and staff) have worked hard over the past three years to secure a strong financial foundation. While we plan for the future, we are starting from a good place. And just for context, this is not the norm in Catholic education today. Catholic elementary schools in this state and this country are struggling. However, as we all know, St. John School is not the norm.

Our enrollment at the beginning of this school year was 228 students. This is an increase of nine students from last year and fifteen students from two years ago, which represents a seven percent increase over two years. We welcomed 49 new students this year, including new students in every grade level, preschool through grade 7. We also retained 90 percent of our students overall and 95 percent of our students in kindergarten and above. Prekindergarten, grade 3, and grade 6 are full while preschool, grade 1 and grade 2 were within one student of capacity. Our enrollment is increasing because we are bringing in new students as well as keeping our current students.

St. John School's operating budget is just over \$1.9 million and our expenses, before capital improvements, are just below \$1.8 million. About 80 percent of our expenses fund our teachers (e.g., salary, benefits, health care, etc.). After

operating expenses, we have about \$100,000 left for building improvements (i.e., capital expenditures) each year. This, in addition to other funding sources, has allowed us to invest over \$400,000 into the building over the past three years. This includes a new Parish Center floor, playground improvements (including the creation of a Nature Center), roof exhaust fans to improve air quality, asbestos abatement, drainage work, roof repairs, improved LED lighting, water bubblers, and remodeling numerous classrooms. Our facility is in good shape, and we continue to plan ways to improve through our Capital Improvement Plan.

Our goal is to continue to invest money strategically to improve the school. Teachers have seen a three percent raise three years in a row. We have expanded our staff, adding an Instructional Support Specialist, increasing Spanish offerings, and adding a new development role. We have revamped our entire ELA and Math curricula and part of our Science, Social Studies and Religion/Theology curricula. We have spent over \$100,000 on technology improvements including replacing old Chromebooks, adding additional iPads, creating an Innovation Center, replacing desktop computers, and improving wireless infrastructure.

In our annual budget, tuition covers about 85% of our costs. This means that families are paying about 85% of what it actually costs to educate a student at St. John School. We make up the difference between tuition and expenses in many ways, including \$30,000 from the Archdiocese School Tax Fund, lunch and after school programs, development efforts, and SJS Parent Group sponsored fundraisers (\$100,000 per year). We are continually searching for new and innovative ways to make up this gap while keeping our tuition affordable.

At \$6,600, our tuition is well below our Catholic competitors in Norwood, Walpole, and Holbrook. Many families, because of shifts away from in-parish tuition and technology fees, have seen almost no increase in tuition in four years. We have also revamped our preschool and prekindergarten tuitions to be more in line with local competitors.

At the same time, we have also seen a dramatic increase in families in need of financial assistance over the past few years. With this reality, we now award over \$50,000 in financial aid each year - \$20,000 from St. John Parish, \$20,000 from the Catholic Schools Foundation, \$4,500 from St. Vincent de Paul, \$6,000

from our operating budget, and less than \$1,000 from our Financial Aid Endowment. This is impressive considering that four years ago, we awarded less than \$10,000 in aid. In light of this, we are continually reevaluating our financial aid process and procedures.

Beyond our year-to-year budget, St. John School maintains reserve funds for specific needs. We have two restricted endowment funds, established years ago from the sale of parish property. Our financial aid endowment is \$288,000. We draw interest from this fund for financial aid. The goal is to keep this fund at \$250,000 each year. Our capital endowment is a healthy \$265,000. This allows us to draw interest for building projects. We also maintain an unrestricted reserve fund for unforeseen expenses, which is a best practice in the field. Thus, we also have savings of over \$300,000 to be used for projects as needed. These savings ensure that we are prepared for expected and unexpected expenses beyond the traditional operating costs.

We are also working to increase our in-house development capacity. In the past few years, we have brought in between \$10,000 and \$20,000 through a range of development efforts. We are hoping to dramatically increase this number through an annual fund targeting alumni, former parents, and the Canton community at large. This fund will partially serve as an additional source of financial aid and will be launched in the spring of 2020.

To continue our facility maintenance and improvements, we have three major projects that should be completed over the next two years - repointing and sealing the exterior of the school building, upgrading our electrical in the entire building, and replacing one-third of the roof. These projects will cost upwards of \$300,000. With \$100,000 in capital expenditures set aside from our operating budget annually, drawing from our capital endowment, and strategic use of our savings, we can fund these projects without concern. This will allow us to effectively plan for and fund other needs - both anticipated and unforeseen.

I know this is a lot of information to take in and may be a bit overwhelming. My goal is to help you understand the financial realities of St. John School as they are currently. We know that many things can change in the coming years, but we are preparing and planning for all possible futures. Thank you for your support, and please let me know if you have any questions or want to learn more.