



## **Fiscal Year 2023 Financial Statements Summary Report**

In accordance with “An Act to Support Improved Financial Stability in Higher Education” Massachusetts General Law Chapter 69, Section 31B (f), this supplement to the audited financial statements analyzes the Fiscal Year 2023 (“FY22”) financial activities and position of Pope St. John XXIII National Seminary for the year ended June 30, 2023.

### **FY22 Summary**

Pope St. John XXIII National Seminary’s financial statements for the year ended June 30, 2023, are presented in accordance with accounting principles generally accepted in the United States and were audited by G.T. Reilly & Company, an independent accounting firm. The financial statements received an unmodified opinion stating that the information contained within was fairly presented in all material respects. The Seminary’s Finance Committee and Board of Trustees reviewed and accepted the financial statements, and they were issued in May 2023.

This summary has been prepared by management and should be read in conjunction with the Seminary’s audited financial statements and accompanying notes.



## **Statement of Financial Position**

The Seminary's statements of financial position (balance sheet) and specifically net assets (total assets minus total liabilities) represent the overall wealth. The most significant changes on the Seminary's balance sheet were:

### **Assets:**

- Cash and cash equivalents decreased by \$114,000 primarily due to land development costs and furniture and equipment.
- Investments and interest in other net assets increased by just under \$ 425,000 from the prior year. This is attributable to an increase in the stock market's performance.
- Land, buildings and equipment, had a net decreased by \$174,000 due to depreciation expense of \$350,000 and additions of \$176,000.

### **Liabilities:**

- Accounts payable and accrued expenses increased by \$ 168,000 due to an accounting change now accrued for yearend payroll liabilities and deferring special events revenue received until the event takes place in Sept.

### **Net Assets:**

- Net assets were \$13.47 million at the end of 2023, in 2022 they were \$13.56 million. A decrease of \$ 88,000.



### **Statement of Activities:**

The statement of activities is a report on the Seminary's fiscal year profitability resulting from the operation of its educational mission as well as non-operating activities such as reinvestment of endowment gains, and other sources.

#### **Revenues:**

- Tuition revenue increased by \$143,000 or 8.9%.
- Institutional Advancement revenue decreased slightly by \$34,000 as the seminary chose to defer approximately \$49,000 in revenues until FY 2024.

Market conditions generated an unrealized gain on investments of \$ 222,000.

#### **Expenses:**

- Expenses in aggregate decreased by \$53,000 from \$3,813,000 to \$3,760,000, a 1.4% decrease. The Statement of Functional Expenses provides a detailed breakout of the major expense categories.
- Salary and fringe benefits decreased by \$139,000 primarily resulting from reduced positions.
- Depreciation increased by \$9,000 and fundraising expenses increased \$13,000.
- Operating supplies decreased by \$19,000 due to improved expense management.



### **Statement of Cash Flows:**

The statement of cash flows reports the cash generated and used by the Seminary during the fiscal year. Cash inflows/outflows are reported as one of three activities: Operating (amounts generated/used as a function of the Seminary staying in business), Investing (amounts generated/used through investment activity, including fixed asset purchases and sales), and Financing (amounts generated/used as part of financial transactions such as debt borrowings, repayments, and refinancing).

- Operating cash flows in FY23 generated a \$14,000 decrease in cash (compared to a \$375,000 decrease in FY22).



### **Financial Statement Footnotes:**

The footnotes to the financial statements also play an integral part in explaining the financial situation of the Seminary. The footnotes contain language on accounting policies as well as other useful information at a more granular level than the face statements allow.

- Note 1 provides a description of the Seminary's Significant Accounting Policies.
- Note 2 breaks down the Investments held by the Seminary. Most of the Seminary's investments represent unit holdings in the Common Investment Fund of the Archdiocese of Boston, common investment pool for affiliates of the Archdiocese of Boston. discusses liquidity and availability of financial resources.
- Note 11 details the restrictions placed by donors both temporary and perpetual in nature. Net assets are released from donor restriction by incurring expenses or by the occurrence of other events satisfying the restricted purpose.
- Note 15 discusses the Liquidity and Sufficiency of Net Assets. The Administration and the Board of Trustees are working on generating a plan to replenish the investment accounts over the next few years.



***Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.***

This is a letter to the Board of Trustees describing the audit, in accordance with auditing standards generally accepted in the U.S.A. and the Government Auditing Standards. G.T. Reilly states that they did not identify any deficiencies in internal control that they consider to be a material weakness.

The purpose of this report is solely to describe the scope of their testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Seminary's internal control or on compliance.