



Making a Lifetime of Difference

While reflecting on his life and planning for the future, **Mark Gudaitis '84** has grown to appreciate the value of the education he received at St. John's Prep and he wants to ensure that others have that same opportunity. With this in mind, Mark and his wife, Heidi, have chosen to leave a lasting legacy at St. John's by naming the Prep as a beneficiary of their estate. Their plan is to designate a portion of their estate to the St. John's Prep endowment. As Mark explained, "We want our commitment to the Prep to be lifelong, and we look forward to helping out and contributing in many other significant ways in the years ahead. An endowment gift seemed to match our vision of giving back to the Prep in a permanent way."

Mark grew up in Lynn, the son of hard working parents who valued education and sacrificed to send his sister and him to Catholic schools throughout their lives. He attended Sacred Heart in Lynn for eight years. Just a hop, skip and a jump away from his childhood home, Sacred Heart was a good fit. When

it came time for high school, Mark's mother encouraged him to apply to St. John's. He recalls taking the entrance exam and being accepted to St. John's after seeing the campus only once, at an open house. His mother knew about the Prep's reputation for academic excellence and was convinced that it would provide the structure and challenge Mark needed. Intimidated at first, he was unsure if the Prep was right for him. Over time, though, he made friends and thrived in an environment where his abilities were fostered and he was held accountable for his efforts. Mark truly believes that the day he graduated from St. John's was one of the most important of his mother's life.

Mark's parents made enormous sacrifices, financial and otherwise, to send him to St. John's. In hindsight, he is grateful to his parents for encouraging him to work hard and make the most of his St. John's education. "For me, St. John's provided the structure, the rigor, the honesty and the accountability that I believe are the ingredients in helping boys become men," he says. "I believe St. John's helped all of us understand ourselves, our faith in God and the world around us, while providing a rigorous academic program at the same time."



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It was his love for St. John's that led Mark and Heidi to include the Prep in their planning. Mark has introduced Heidi to all that St. John's offered him and, in turn, they both agreed that it was important to make a lasting impact on the organization that provided the foundation for Mark's education and future success. Their gift to the St. John's Prep endowment will help generations of Prep students to come.

Up Close: Mark Gudaitis '84

Education: BS in finance, Boston College

Career: Senior Vice President, Atlantic Trust Private Wealth Management

At the Prep: Newest member of the Planned Giving Advisory Committee; member of the 1907 Society

Family: Mark and his wife, Heidi, have two daughters, Victoria, age 8, and Alexandra, age 6



A Message from the Office for Institutional Advancement

In these difficult economic times, I am happy to report that St. John's Prep is faring well. Enrollment for next year is right on target and families are finding a way to send their boys to St. John's because they realize the value of a Prep education. Despite the decline in the financial markets, St. John's will welcome the Class of 2013 with the same confidence and provide them with the same opportunity as in years past.

In these instances of economic uncertainty, many recognize the importance of professional networking. Former classmates and fellow Prep alumni can serve as important career and business resources. Recognizing this, the Prep created networks on two popular networking sites, Facebook and LinkedIn. Already more than 1,300 alums have joined the Prep alumni group on Facebook, while the LinkedIn group boasts more than 800 members. St. John's has also held young alumni networking events in Boston, New York City and Washington, DC. These events provide younger alumni with the opportunity to build their networks and meet with other alumni who could serve as professional resources. Experienced alumni have much to share with younger grads who are just getting established in their careers.

The Office for Institutional Advancement is always looking for ways to serve the Prep alumni community and this is the perfect time to pull classmates together to lend a helping hand. Your ongoing support for St. John's and for one another is appreciated.

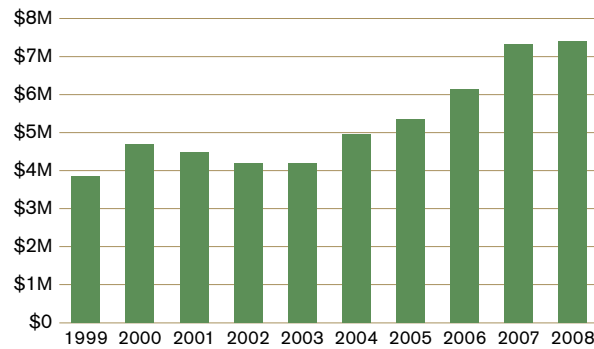
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The Endowment at St. John's

An endowment gift is a powerful way to make a lasting impact on the future of a school like St. John's.

A strong endowment ensures a school's financial well-being and provides critical flexibility. Income from an endowment means that a school does not need to rely on tuition and annual giving alone to meet operating expenses. The leadership at St. John's manages its endowment with great care, knowing that these funds will provide the backbone for the Prep's financial security now and in the years to come.



The Prep's endowment provides regular annual distributions that are used almost entirely to provide need-based tuition assistance. For the upcoming academic year, St. John's will provide approximately \$3,000,000 in tuition assistance for current families. Approximately five percent of this amount will come from endowment funds. The Prep endowment has seen significant growth over the past ten years. Valued at just under

1. An act of endowing.
2. Funds or property donated to an institution, individual or group as a source of income.
3. A natural gift, ability, or quality.

— American Heritage Dictionary

\$4,000,000 in 1999, the endowment reached \$7,000,000 by 2007, an increase of over 75 percent. The increase in the value of the endowment can be attributed to wise investing by St. John's, as well as to additional gifts from alumni, families and friends. It is important to note, however, that like other charitable organizations, the Prep anticipates a decline when the 2009 value is reported because of the recent economic downturn.

The St. John's Prep endowment is comprised of more than 100 individual funds named in honor of alumni, families and individuals. These funds range in size from \$2,100 to just under \$400,000. The current minimum amount required to establish a new endowed fund is \$50,000. Installments may be spread out for a period of up to five years. Endowed funds may be designated for a number of purposes including tuition assistance, as well as to support a particular academic department, athletics, or general use. Gifts of any size may be made to existing endowment funds. The St. John's Prep endowment annually pays out four percent of its value based on a three-year weighted average. The income from these funds is used as designated by the donor.

For additional information about the Prep's endowment and individual endowed funds, please visit www.stjohnsprep.org/endowment. To talk with someone about making an endowment gift, please contact Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or dmarino@stjohnsprep.org.

IRA Charitable Rollover

New Legislation

On October 3, 2008, Congress passed and the President signed the Economic Stabilization Act of 2008 (H.R. 1424). This legislation included a two-year extension of the IRA Charitable Rollover, originally part of the Pension Protection Act of 2006. This provision allows donors who are at least 70½ years of age make gifts directly from IRAs to eligible charities through 2009. The gifts are tax-free and are capped at \$100,000 per year.

What Does This Mean For Donors?

Prior to any charitable rollover legislation, donors who wanted to make a gift to an eligible charity had to report the gift as ordinary income taxable at the donor's regular rate. Even if IRA funds were transferred to charity, the gift had to be reported as ordinary income taxable at regular rates. Donors did have the option to offset the increase in taxable income, at least in part, by claiming a charitable deduction. However, donors could only claim deductions equal to 50 percent of their income per year. Higher income taxpayers were limited on itemized deductions, and in some cases, the increase in federal adjusted gross income resulted in increased state tax liability, thereby causing more of their social security income to be taxed.

How Does The New Measure Work?

1. The donor requests the administrator of his or her IRA to transfer funds to an eligible charity. Donor-advised funds and private foundations are ineligible.
2. The administrator of the IRA transfers funds directly to the eligible charity.
3. The charity works with the donor to determine how the donor would like the gift to be used.
4. At the end of the tax year, the donor excludes the charitable distribution from their adjusted gross income.

What Does It Mean For St. John's?

As a result of the original 2006 IRA Charitable Rollover legislation, hundreds of higher education institutions and independent schools reported receiving

gifts totaling \$235 million. The overwhelming majority of these gifts were earmarked for tuition assistance. Clearly, charities have seen the results of this legislation and it has made a difference to their institutions.

Future Changes

On March 2, 2009, the Public Good IRA Rollover Act of 2009 (H.R. 1250) was introduced in Congress. If this legislation becomes law, the following changes to the current IRA Charitable Rollover would occur:

1. The IRA Charitable Rollover would become permanent.
2. The \$100,000 annual limit would be removed.
3. The minimum age to participate would be reduced to 59½.
4. Gifts could be used to support donor-advised funds and private foundations.

On April 2, 2009, the Senate approved its fiscal year 2010 budget resolution and while doing so, it adopted an amendment calling on Congress to extend the IRA Charitable Rollover legislation and to allow the distributions to be used to fund life-income gifts, such as gift annuities.

What these proposed legislation changes tell all charities is that the IRA Charitable Rollover has become a hot topic and that lawmakers understand the importance of allowing creative ways for donors to make gifts to non-profit organizations. St. John's will include updates on this proposed legislation in future publications of St. John's Prep Tomorrow.

On December 23, 2008, President Bush signed the Worker, Retiree, and Employer Recovery Act of 2008 (H.R. 7327) into law suspending minimum distribution rules for IRAs in 2009. As a result, in 2009 only, people with IRAs are not required to take minimum distributions even if they have reached the age of 70½. They still can, however, take advantage of the IRA Charitable Rollover provision and make a gift directly from their IRA to an eligible charity.

For questions about the IRA Charitable Rollover, please contact Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or dmarino@stjohnsprep.org.

On Campus

■ Prep students used lessons learned in the classroom in a host of settings this year. The Model United Nations Club and history teacher Pamela Bronder-Giroux organized a major conference at the Prep in January with dozens of well-briefed, articulate students from area high schools debating the most challenging issues at the center of the world stage today.



■ In March, students from 21 schools converged at St. John's for the annual Massachusetts State High School Debate Championship. English teacher and debate coach Anne Burrige reports that seven Prep students qualified to compete at the tournament in a field of 51 seeded public forum teams and 30 Lincoln Douglas debaters from around the state; the Prep team scored a number of impressive wins and was delighted to host the tournament after a long hiatus. *Pictured (l to r): David Miller '09, Co-Captains Joseph Pullano '09 and Colin Herd '09, Anne Burrige, Zachary Krowiak '10, Christian Belli '10, Christopher Sullivan '09 and Benjamin Smith '09.*

■ Led by Science Department Chair Gary Smith, four Prep students competed at the 23rd annual Eastern Massachusetts Physics Olympics at Boston College High School recently for a day of hands-on problem solving in everything from electricity and magnetism to paper gliders and motion control.

■ The Drama Guild won the prestigious Massachusetts High School Drama Festival with a Kabuki inspired production of Shakespeare's "Richard III." Under the direction of Brother Ron Santoro, CFX, and Alicia Greenwood, the cast and crew garnered many awards and St. John's will go on to represent Massachusetts at the New England Drama Festival in April. This brings to 15 the number of times St. John's has won the statewide festival.



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St. John's Preparatory School

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For information on making a planned gift to St. John's, please contact Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or dmarino@stjohnsprep.org.

SPRING 2009



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2 The Endowment at St. John's



3 On Campus

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1907 Society Recognition Event

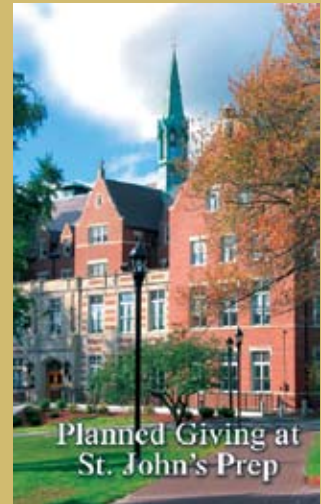
Headmaster Skip Shannon and his wife, Mj, cordially invite all members of the 1907 Society to join them for a reception on **Tuesday, June 9**. Invitations will be mailed in May. The 1907 Society is comprised of those who have made an estate or other planned gift to benefit St. John's. Members are listed in the Annual Report of Giving. If you have questions about the 1907 Society or if you feel that you should be included in the Society, please contact Debra Marino at 978.774.6727 x 358 or dmarino@stjohnsprep.org.

Q&A on Planned Giving

What is planned giving? Planned giving provides individuals with a variety of options to support a school or institution in a way that is advantageous to both the donor and the organization.

What qualifies as a planned gift? Many options fulfill the definition of a planned gift. The most common is a bequest, typically when someone includes a charity in their will. Life income gifts such as charitable remainder trusts and gift annuities are also planned gifts. Naming a charity as a beneficiary of a retirement plan or life insurance plan is also a planned gift because the donor is planning for their future and the future of the charity. Gifts of real estate and retained life estates are planned gifts because of the amount of planning involved.

Can St. John's Prep help me set up a planned gift? St. John's has the same resources in place as any sophisticated institutional advancement office and there are qualified professionals available to help with any questions or concerns you may have. There is a great deal of information on the St. John's Prep planned giving website at www.stjohnsprep.org/plannedgiving.



To learn more about different ways to support St. John's Prep, request a copy of *Planned Giving at St. John's Prep* by contacting Debra Marino, Director of Planned and Major Gifts, at 978.774.6727 x 358 or dmarino@stjohnsprep.org.