

Annual Financial Letter to Parishioners

Dear Parishioners,

This report provides you with financial information for the fiscal year ending June 30, 2011, and the 2012 fiscal year budget for Good Shepherd Parish, as well as our two Catholic schools.

Please notice the Financial Statement for the fiscal year which ended June 30th located on the first page of the report. Unfortunately, parish operations ended in the red again this year with a loss of \$54,396, despite expenses being reduced by \$207,000. The primary reason for the deficit continues to be the drop in year over year offertory giving. It fell by 9.75% compared to the prior year, which translates to \$174,345. The last column on that initial page shows the parish budget for the current fiscal year. Again, here you'll note that despite additional expense reductions of \$194,000, we still have a deficit of \$43,482. Given the declining revenue trend we are experiencing we have no alternative but to continue to plan for the diminishment of offertory giving this year as well and hope for the best. Consequently, the 2012 budget assumes a 9% decrease of our offertory totals from last year's level. As you look at the circle graphs on the bottom of the first page of our income and expenses, you'll see that by far the most critical source of income is offertory giving at 83% of the total. Additionally, on the second page you will see bar graphs which reflect trends in combined offertory for the last 4 years and what is budgeted for 2012. When coupled with a continuing decrease in our parishioner base (see the graph on baptisms and funerals) as well as the impact of a stagnant US economy, our financial situation will continue to be an area of concern.

We remain committed to improving our productivity and controlling our expenses in ways that focus on the best interest of Good Shepherd Parish as one community of faith. We recognize that the savings associated with the closing of our three Biddeford and Saco churches have not yet been fully realized. But we do see signs that make us hopeful for the future. We are beginning to form more fully as a Good Shepherd parish. We see that in our liturgies, councils, commissions and various fairs / activities, all of which bring parishioners together to worship, to volunteer and to enjoy fellowship. We need volunteers of all sorts and for many different tasks; please look to the bulletin for upcoming announcements related to volunteer efforts and ways you can help serve in our parish.

Finally, on the last page of the report you will see information on the financial results of our schools. This year we begin a new path for Catholic education in Good Shepherd Parish, now that we have merged our two schools into one. The resulting improvement to the schools fixed cost structure will allow more of our limited resources to be directed at education. Through the hard work and dedication of so many, the merger has been virtually seamless and a new school year is already underway with some 200 students enrolled. Congratulations to all who helped.

Thank you for your continued support of our parish, financially and with your time, talent and prayers.

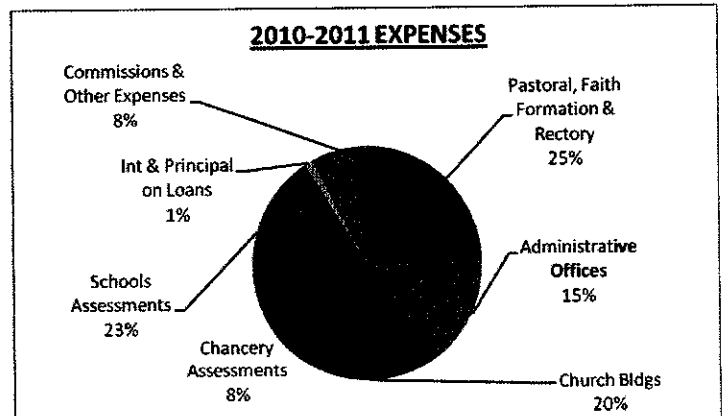
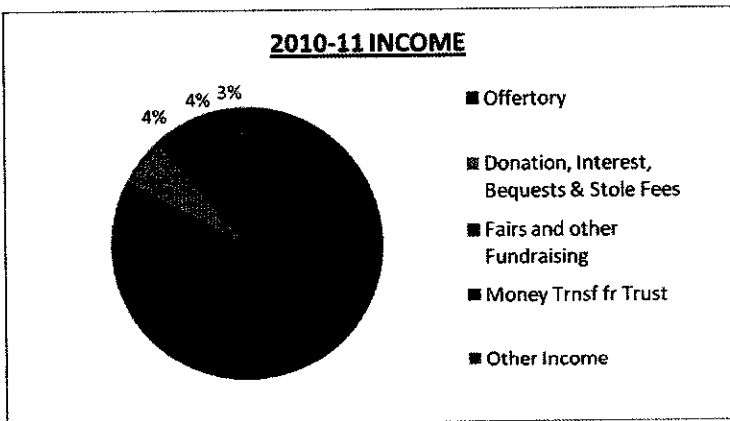
Msgr. René Mathieu, Pastor

David Gadbois, Business Coordinator

(Specific questions on this report may be directed to David Gadbois, Business Coordinator at 282-3321 or via email: David.Gadbois@portlanddiocese.org.)

**Good Shepherd Parish
Comparative Financial Statement
Fiscal Year Ending June 30**

	GSP 2011	GSP, STMG, STP 2010	Budget 2011-2012
INCOME			
Offertory	\$ 1,615,196	\$ 1,789,541	\$ 1,469,828
Donation, Interest, Bequests & Stole Fees	107,891	107,649	80,675
Fairs and other Fundraising	83,191	84,029	82,000
Money Transferred from Other Funds	73,779	61,157	65,000
Other Income	68,380	99,135	67,850
Total Operating Income	1,948,437	2,141,511	1,765,353
EXPENSES			
Pastoral, Faith Formation and Rectory	490,153	606,381	471,727
Administrative Offices	303,585	293,153	330,994
Church Buildings Operation and Maintenance	410,001	385,665	329,070
Chancery Assessments	158,260	182,796	157,335
Schools Assessments	461,419	533,040	358,736
Interest on Loans	21,004	0	6,748
Commissions and Other Expenses	158,411	209,058	154,225
Total Operating Expenses	2,002,833	2,210,093	1,808,836
Net Operating Gain / (Loss)	\$ (54,396)	\$ (68,582)	\$ (43,482)



**Good Shepherd Trust Funds
Fiscal Year Ending June 30, 2011**

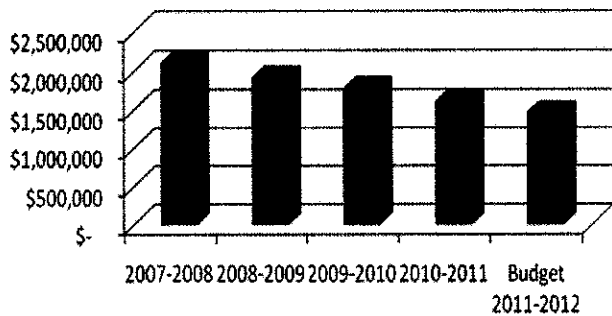
STATEMENT OF ACTIVITIES

TEMPORARILY RESTRICTED NET ASSETS, 6/30/2010	(a)	\$ 167,344
<u>INCOME</u>		
Donations & Bequests Temp Restricted		119,268
Interest, Dividends, Gains & Losses		85,118
<u>EXPENSES</u>		
Expenditures		(135,482)
Change in Temporarily Restricted Net Assets	(a)	<u>68,904</u>
TEMPORARILY RESTRICTED NET ASSETS, 6/30/2011	(a+a)	<u>\$ 236,248</u>

STATEMENT OF FINANCIAL POSITION

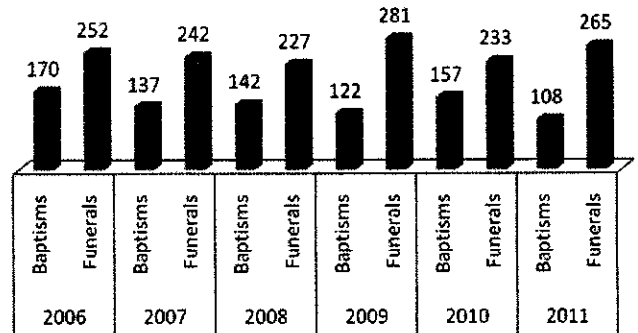
<u>ASSETS</u>		
Cash		\$ 268,930
Investments		680,940
TOTAL ASSETS		<u>949,870</u>
Permanently Restricted Net Assets		713,622
TEMPORARILY RESTRICTED NET ASSETS, 6/30/2011		<u>\$ 236,248</u>

OFFERTORY



Baptisms & Funerals

Fiscal Years 2006-2011



TWENTY-FOURTH SUNDAY IN ORDINARY TIME

**Good Shepherd Parish Schools
Financial Statement
Fiscal Year Ending June 30**

	Notre Dame 2010-2011 Actuals	St James 2010-2011 Actuals	St James 2011-2012 Budget
INCOME			
Tuition	\$ 210,822	\$ 495,177	\$ 582,800
Parish & other parish subsidies	128,741	326,032	358,555
Fee & Cafeteria	33,145	67,978	60,000
Fundraising	36,560	36,658	45,000
Gifts & donations	7,513	75,201	45,000
Diocesan Teacher Pension Subsidy	10,260	28,370	27,250
Student activities	3,463	24,968	20,000
Endowments & trusts	0	19,785	12,000
Other	7,366	5,628	4,300
Interest & Dividends	3,200	1,525	3,600
Total Operating Income	441,070	1,081,322	1,158,505
EXPENSES			
Instruction	307,614	426,068	515,661
Insurance, Benefits & Taxes	59,444	177,139	150,250
Facilities	45,996	152,448	196,600
Administration	48,978	147,714	160,055
Cafeteria	31,084	47,201	40,000
Marie Fitzbach Scholarship Fund	0	0	18,500
Student Activities	2,607	20,805	20,000
Diocesan Teacher Pension Subsidy	10,260	28,370	27,250
Auxiliary Services	0	10,456	27,975
Total Operating Expenses	505,983	1,010,201	1,156,291
Net Operating Gain / (Loss)	\$ (64,913) *	\$ 71,121 **	\$ 2,214

Net assets from Notre Dame School

\$59,934

Footnotes: * Permanent closure of NDS required the accrual of the normal summer months payroll into the 2011 FY resulting in an increase of approximately \$35,000 to the expected deficit of \$30,000.

** SJS ended the 2011 FY with a better than expected surplus because of 2 generous gifts: \$25,000 from the Good Shepherd Sisters and \$25,000 by a donor wishing to remain anonymous that were applied to school debt.

**St. James School Restricted Funds
Fiscal Year Ending June 30, 2011**

Statement of Activities

Temporarily Restricted Net Assets - 6/30/2010	\$ 8,578
INCOME	
Interest and Dividends	169
Temporarily Restricted Net Assets - 6/30/2011	\$ 8,747

Statement of Financial Position

ASSETS	
Cash and DS&L Accounts	10,044
Other Assets - Fortier Trust	500,000
TOTAL ASSETS	510,044
Permanently Restricted Net Assets	501,297
Temporarily Restricted Net Assets - 6/30/2011	\$ 8,747