

First, let me start with directing you to our Parish Financials posted on our website. You can gain some insight on parish finances there.

It is also helpful to know there are checks and balances in place, both at the Parish (local) and Diocesan (Chancery) level, which we must abide by, while operating the parish. In addition all parishes are subject to annual audits on a rotational basis. These are intended to prevent the opportunity for impropriety and protect parish assets.

The parish Finance Council meets 10 times per year to review parish financial information, provide guidance and advise the Pastor. The council is comprised of a diverse group of parishioners from all over Good Shepherd Parish (GSP). The Chancery in Portland also keeps a check on the local level. For example, policy requires all non-routine expenditures above \$2,500 to be approved by the parish Finance Council and then the Director of Property Management at Chancery, before going forward with the purchase. All capital Improvement projects greater than \$2,500 must also go through the same process. Furthermore, multiple bids / quotes are needed to ensure the cost is reasonable and vendors are sufficiently insured and qualified.

Please be aware, that from time to time, Msgr. Mathieu announces in his bulletin message what projects are in progress and how they are being funded. Bulletins are archived on our website, so if you haven't been reading his "weekly message" you can go back and review some of them at your leisure.

Selling properties has been very challenging over the past five years because of the difficult economy. The proceeds from those sales are regulated by Canon Law and are characterized as **Stable Patrimony** (please refer to another Q&A defining Stable Patrimony). Since 2010, GSP sold the following buildings generating gross proceeds of \$1,678M:

- Victory Hall at Camp Ellis \$388K, net - sold in 2010
- St. Mary's rectory \$182K, net - sold in 2010
- Notre Dame Convent \$189K, net - sold in 2011
- St Andre Church campus \$288, net - sold in 2014
- Notre Dame School \$394K, net - sold in 2014
- St. Joseph rectory, \$237K, net - sold in 2014

All of the sales were handled by an attorney that acts as general counsel for the Diocese. When the property sale closes, the proceeds are deposited directly to a new account on the parish books at Chancery. Again, use of the funds is restricted and require multiple levels of approval (both Parish and Diocesan) before that can happen.

Since 2010, GSP with the proper Finance Council approvals, has taken advantage of some strategic expansion opportunities and invested in several important building renovations. Each

time, we requested and received, Diocesan approval to pursue these initiatives. Effectively, the funds used expanded, replaced functionality or improved our existing church properties / buildings. These transactions which were in part or completely funded with Stable Patrimony were as follows:

- Relocation and renovation of the Camp Ellis Victory hall kitchen to MHT Hall in 2010. Cost: \$36K.
- Relocation to and renovation of the MHT offices upon closing of the Catholic Center in Biddeford in 2010. Cost: \$56K.
- Renovation and expansion of the SJC Hall in order to replace what was loss upon the closing of St Andre Church and hall, 2011- 2012. Cost: \$300K.
- Acquisition of 35 Bradbury St – the former People’s Choice Credit Union in May 2012 - in order to retain control of a significant area of our property border at SJC. Cost: \$313K.
- Renovation of MHT rectory to accommodate our parish priest and allow us to vacate and sell the oversized and much too costly to operate St Joseph rectory in Biddeford. The priest relocated to MHT October 31, 2013. Cost: \$105K
- Acquisition and demolition of 26 St Joseph St to expand the SJC parking lot in November 2014. Cost: \$86K.

As of December 31, 2014, GSP has a remaining Patrimony balance of \$1,394M, including the proceeds from the sale of Notre Dame School (\$394K), which are earmarked for Capital Improvements to St James School (SJS). In fact, we are currently working on plans to install a building wide sprinkler system at SJS and that project will be paid with Patrimony funds. This will be a multi-phase, multi- year project that will not only improve building safety but enhance the long term value of the property.

Your questions and concerns are always welcome.

Sincerely,