

Consolidated Financial Statements and  
Supplemental Information Together  
with Report of Independent Certified  
Public Accountants

**The Bridgeport Roman Catholic Diocesan  
Corporation and Affiliates**

June 30, 2023 and 2022

## Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	6
Consolidated statement of activities	7
Consolidated statement of functional expenses	9
Consolidated statements of cash flows	11
Notes to consolidated financial statements	12
Supplemental Information	
Consolidating schedules of financial position	40
Consolidating schedules of activities	42
Consolidating schedule of management and general expenses	44
Consolidating schedules of program functional expenses	45

---

**GRANT THORNTON LLP**

757 Third Ave., 9th Floor  
New York, NY 10017-2013

**D** +1 212 599 0100

**F** +1 212 370 4520

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Most Reverend Frank J. Caggiano  
Bishop of the Roman Catholic Diocese of Bridgeport

**Opinion**

We have audited the consolidated financial statements of The Bridgeport Roman Catholic Diocesan Corporation and Affiliates (collectively, the "Diocese"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Diocese as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position as of June 30, 2023 and 2022, the consolidating schedules of activities, management and general expenses and functional expenses for the years ended June 30, 2023 and 2022 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements

themselves, and other additional procedures in accordance with US GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

New York, New York  
December 22, 2023

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	11,459,663	37,348,694
Restricted cash	641,300	415,694
Properties held for sale	183,742	183,742
Cemeteries and other accounts receivable, net	2,388,642	3,593,351
Due from related Diocesan entities, net	1,641,329	1,193,820
Prepaid expenses and other assets	890,168	349,914
Contributions receivable, net	2,346,830	2,513,662
Insurance recoveries receivable	675,222	352,874
Notes receivable, net	12,777,252	11,841,899
Investments, at fair value	38,766,713	11,198,074
Cemetery inventory	5,310,998	5,521,706
Beneficial interest in trust held by others	441,527	431,983
Beneficial interest in assets held by Foundations in Faith, Inc.	11,048,447	10,380,036
Property, buildings and equipment, net	33,953,495	32,560,667
Operating lease right of use assets	159,570	-
	<u>\$ 122,684,898</u>	<u>\$ 117,886,116</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	2,539,129	5,135,897
Special collections payable	884,793	415,694
Self-insurance claims, medical premiums and other amounts payable	3,457,029	4,153,645
Deferred revenue and refundable advances	1,542,558	3,760,464
Deferred revenue - ground lease	985,739	1,014,299
Deferred revenue - life use fees	717,661	1,053,393
Due to related Diocesan entities	1,306,695	867,707
Note payable	4,083,211	509,000
Operating lease obligations	159,570	-
Conditional asset retirement obligations	6,330,151	6,070,062
Priest pension and other postretirement benefit obligations, net	11,227,989	14,958,606
	<u>33,234,525</u>	<u>37,938,767</u>
<b>Contingencies</b>		
<b>Net assets</b>		
Without donor restrictions	73,650,178	64,196,579
With donor restrictions	15,800,195	15,750,770
	<u>89,450,373</u>	<u>79,947,349</u>
	<u>\$ 122,684,898</u>	<u>\$ 117,886,116</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, support and other changes</b>			
Annual Bishop's Appeal	7,953,957	794,166	8,748,123
Contributions and bequests	1,987,298	2,122,109	4,109,407
Cathedraticum from parishes	6,201,875	-	6,201,875
Employee benefit and insurance programs	19,834,635	-	19,834,635
Cemeteries operations	13,808,130	-	13,808,130
Interest income	771,216	-	771,216
Elderly housing and other rental income	2,036,172	-	2,036,172
Professional services	614,469	-	614,469
Advertising	247,724	-	247,724
Other operating revenues	319,166	-	319,166
Net assets released from restrictions	3,552,645	(3,552,645)	-
	<u>57,327,287</u>	<u>(636,370)</u>	<u>56,690,917</u>
<b>Expenses</b>			
Programs	13,923,748	-	13,923,748
Employee benefits and insurance	21,076,158	-	21,076,158
Cemeteries operations	7,370,744	-	7,370,744
Elderly housing and Diocesan LLC properties operations	761,159	-	761,159
Management and general	6,677,170	-	6,677,170
Stewardship and development	1,046,777	-	1,046,777
	<u>50,855,756</u>	<u>-</u>	<u>50,855,756</u>
Income (loss) from operations before depreciation and accretion	6,471,531	(636,370)	5,835,161
Depreciation and accretion	(1,536,934)	-	(1,536,934)
Income (loss) from operations before nonoperating activities	4,934,597	(636,370)	4,298,227
<b>Nonoperating activities</b>			
Gain on sale of assets, net	494,545	-	494,545
Priest pension-related activity other than service cost	4,367,795	-	4,367,795
Change in value of beneficial interest in Foundations in Faith and a third-party trust	-	677,955	677,955
Investment income, net	1,223,250	7,840	1,231,090
Contributions - nonoperating	645,379	-	645,379
Bad debt recoveries, net	429,950	-	429,950
Contributions to lay pension	(800,000)	-	(800,000)
Change in discount on notes receivable	175,801	-	175,801
Support to Diocesan entities - capital projects and other	(1,943,664)	-	(1,943,664)
Miscellaneous non-operating income (expenses), net	(74,054)	-	(74,054)
	<u>9,453,599</u>	<u>49,425</u>	<u>9,503,024</u>
<b>CHANGE IN NET ASSETS</b>			
	9,453,599	49,425	9,503,024
<b>Net assets - beginning of year</b>	<u>64,196,579</u>	<u>15,750,770</u>	<u>79,947,349</u>
<b>Net assets - end of year</b>	<u>\$ 73,650,178</u>	<u>\$ 15,800,195</u>	<u>\$ 89,450,373</u>

The accompanying notes are an integral part of this consolidated financial statement.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, support and other changes</b>			
Annual Bishop's Appeal	\$ 8,603,460	\$ 1,128,290	\$ 9,731,750
Contributions and bequests	3,454,607	2,089,053	5,543,660
Cathedraticum from parishes	6,229,736	-	6,229,736
Employee benefit and insurance programs	17,833,232	-	17,833,232
Cemeteries operations	10,057,080	-	10,057,080
Elderly housing and other rental income	2,313,367	-	2,313,367
Professional services	585,681	-	585,681
Advertising	239,230	-	239,230
Other operating revenues	393,200	-	393,200
Net assets released from restrictions	1,278,406	(1,278,406)	-
	<u>50,987,999</u>	<u>1,938,937</u>	<u>52,926,936</u>
<b>Expenses</b>			
Programs	12,545,211	-	12,545,211
Employee benefits and insurance	21,819,430	-	21,819,430
Cemeteries operations	5,611,276	-	5,611,276
Elderly housing and Diocesan LLC properties operations	609,626	-	609,626
Management and general	6,094,408	-	6,094,408
Stewardship and development	1,042,803	-	1,042,803
	<u>47,722,754</u>	<u>-</u>	<u>47,722,754</u>
Income from operations before depreciation and accretion	3,265,245	1,938,937	5,204,182
Depreciation and accretion	(1,511,986)	-	(1,511,986)
Income from operations before nonoperating activities	1,753,259	1,938,937	3,692,196
<b>Nonoperating activities</b>			
Gain on sale of assets, net	266,568	-	266,568
Priest pension-related activity other than net periodic benefit cost	(756,577)	-	(756,577)
Change in value of beneficial interest in Foundations in Faith and a third-party trust	-	(2,849,025)	(2,849,025)
Investment loss, net	(1,882,502)	(26,180)	(1,908,682)
PPP loan forgiveness	2,642,200	-	2,642,200
Bad debt recoveries, net	1,234,573	-	1,234,573
Contributions to lay pension	(600,000)	-	(600,000)
Change in discount on notes receivable	178,233	-	178,233
Support to Diocesan entities - capital projects and others	(2,024,674)	-	(2,024,674)
Miscellaneous non-operating income (expenses), net	(377,742)	-	(377,742)
Net assets released from restrictions	16,800	(16,800)	-
	<u>450,138</u>	<u>(953,068)</u>	<u>(502,930)</u>
<b>CHANGE IN NET ASSETS</b>	<u>450,138</u>	<u>(953,068)</u>	<u>(502,930)</u>
<b>Net assets - beginning of year</b>	<u>63,746,441</u>	<u>16,703,838</u>	<u>80,450,279</u>
<b>Net assets - end of year</b>	<u>\$ 64,196,579</u>	<u>\$ 15,750,770</u>	<u>\$ 79,947,349</u>

The accompanying notes are an integral part of this consolidated financial statement.



The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2023

	Programs	Employee Benefits and Insurance	Cemeteries Operations	Elderly Housing and Diocesan LLC Properties Operations	Management and General	Stewardship and Development	Total
Personnel costs - lay	\$ 3,397,770	\$ -	\$ 3,026,154	\$ -	\$ 4,164,069	\$ 542,302	\$ 11,130,295
Personnel costs - religious	2,721,050	-	-	-	32,298	-	2,753,348
Total personnel costs	6,118,820	-	3,026,154	-	4,196,367	542,302	13,883,643
Insurance	80,329	20,917,215	-	-	44,180	-	21,041,724
Grants and contributions	5,065,668	-	-	-	-	-	5,065,668
Professional fees	633,392	158,536	780,158	-	895,217	28,951	2,496,254
Occupancy	550,811	-	279,727	-	741,106	924	1,572,568
Operations	-	-	3,070,308	761,159	59,891	-	3,891,358
Office	40,201	407	94,376	-	480,896	129,720	745,600
Dues, fees and memberships	506,639	-	3,952	-	55,104	835	566,530
Printing	260,236	-	-	-	265	211,464	471,965
Travel and seminars	423,892	-	31,102	-	56,938	36,242	548,174
Interest	-	-	-	-	109,210	-	109,210
Miscellaneous	63,170	-	33,758	-	18,346	242	115,516
Postage	180,590	-	51,209	-	19,650	96,097	347,546
Total expenses before depreciation and accretion	13,923,748	21,076,158	7,370,744	761,159	6,677,170	1,046,777	50,855,756
Depreciation and accretion	652,539	-	375,431	47,778	384,074	77,112	1,536,934
Total expenses	<u>\$ 14,576,287</u>	<u>\$ 21,076,158</u>	<u>\$ 7,746,175</u>	<u>\$ 808,937</u>	<u>\$ 7,061,244</u>	<u>\$ 1,123,889</u>	<u>\$ 52,392,690</u>

The accompanying notes are an integral part of this consolidated financial statement.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2022

	Programs	Employee Benefits and Insurance	Cemeteries Operations	Elderly Housing and Diocesan LLC Properties Operations	Management and General	Stewardship and Development	Total
Personnel costs - lay	\$ 3,242,578	\$ -	\$ 2,439,643	\$ -	\$ 3,833,356	\$ 449,658	\$ 9,965,235
Personnel costs - religious	2,467,242	-	-	-	37,464	-	2,504,706
Total personnel costs	5,709,820	-	2,439,643	-	3,870,820	449,658	12,469,941
Insurance	47,511	21,555,758	1,652	-	46,624	-	21,651,545
Grants and contributions	4,345,591	-	-	-	-	-	4,345,591
Professional fees	504,859	263,672	721,073	-	580,767	128,930	2,199,301
Occupancy	549,423	-	261,897	-	938,568	3,895	1,753,783
Operations	-	-	2,057,178	609,626	-	-	2,666,804
Office	37,955	-	45,139	-	532,164	150,677	765,935
Dues, fees and memberships	514,966	-	2,241	-	67,622	390	585,219
Printing	253,218	-	-	-	1,324	177,424	431,966
Travel and seminars	373,778	-	26,592	-	31,749	32,207	464,326
Interest	-	-	5,774	-	-	-	5,774
Miscellaneous	32,771	-	10,226	-	13,326	146	56,469
Postage	175,319	-	39,861	-	11,444	99,476	326,100
Total expenses before depreciation and accretion	12,545,211	21,819,430	5,611,276	609,626	6,094,408	1,042,803	47,722,754
Depreciation and accretion	689,893	-	281,127	47,413	405,814	87,739	1,511,986
Total expenses	<u>\$ 13,235,104</u>	<u>\$ 21,819,430</u>	<u>\$ 5,892,403</u>	<u>\$ 657,039</u>	<u>\$ 6,500,222</u>	<u>\$ 1,130,542</u>	<u>\$ 49,234,740</u>

The accompanying notes are an integral part of this consolidated financial statement.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 9,503,024	\$ (502,930)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and accretion	1,536,934	1,511,986
Gain on sale of assets	(494,545)	(266,568)
Change in fair value of beneficial interests	(677,955)	2,849,025
Change in discount on notes receivable	(175,801)	(178,233)
PPP loan forgiveness	-	(2,642,200)
Bad debt recovery, net	(429,950)	(1,234,573)
In-kind donations of securities	(868,314)	(305,243)
Net (appreciation) depreciation in fair value of investments	(843,888)	2,405,833
(Increase) decrease in assets:		
Cemeteries and other accounts receivable, net	1,292,622	(1,648,417)
Escrow receivable	-	1,400,000
Due from related Diocesan entities, net	(826,242)	2,202,674
Prepaid expenses and other assets	(540,254)	(91,645)
Contributions receivable, net	128,050	(1,109,865)
Insurance recoveries receivable	(322,348)	(41,311)
Cemetery inventory	210,708	(2,230,281)
Operating lease right of use assets	37,847	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,596,768)	2,457,579
Special collections payable	469,099	(49,027)
Self-insurance claims and deductible amounts payable	(696,616)	233,882
Deferred revenue and refundable advances	(2,217,906)	1,813,121
Deferred revenue - ground lease	(28,560)	(28,561)
Deferred revenue - life use fees	(335,732)	(385,891)
Due to related Diocesan entities	438,988	(821,743)
Operating lease obligations	(37,847)	-
Priest pension and other postretirement benefit obligations	(3,730,617)	696,839
	<u>(1,206,071)</u>	<u>4,034,451</u>
Net cash (used in) provided by operating activities		
<b>Cash flows from investing activities:</b>		
Purchases of investments	(27,463,067)	(1,228,856)
Proceeds from sales of investments	1,606,630	339,698
Proceeds from sales of investments - other	-	1,375,207
Purchases of property and equipment	(2,925,128)	(1,123,219)
Net proceeds from sales of property	750,000	750,000
	<u>(28,031,565)</u>	<u>112,830</u>
Net cash (used in) provided by investing activities		
<b>Cash flows from financing activities:</b>		
Borrowings from note payable	3,991,000	499,000
Principal payments on note payable	(416,789)	-
	<u>3,574,211</u>	<u>499,000</u>
Net cash provided by financing activities		
<b>NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<u>(25,663,425)</u>	<u>4,646,281</u>
<b>Cash, cash equivalents and restricted cash - beginning of year</b>	<u>37,764,388</u>	<u>33,118,107</u>
<b>Cash, cash equivalents and restricted cash - end of year</b>	<u>\$ 12,100,963</u>	<u>\$ 37,764,388</u>
<b>Supplementary Information:</b>		
Cash paid for interest on indebtedness	<u>\$ 109,210</u>	<u>\$ 5,774</u>
Right-of-use assets acquired under operating lease liabilities	<u>\$ 197,417</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

## The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

#### NOTE 1 - ORGANIZATION

The Bridgeport Roman Catholic Diocesan Corporation (the "Diocese") is a Connecticut not-for-profit, religious non-stock corporation formed in 1953 serving more than 460,000 registered Catholics in Fairfield County. The Diocese's principal programs provide for pastoral, religious personnel services, care and support for retired clergy (including Queen of Clergy), Catholic education and faith formation, educational administration and curriculum, pastoral and human services focused on prison ministry and pastoral care of the aged, vocations and seminarian education, parish finance and other support services to parishes and individuals within the Fairfield county area.

The Diocese relies principally on contributions received through the Annual Bishop's Appeal and fundraising efforts to support the mission related services the Diocese provides. Cathedral income from parishes together with residual Catholic cemeteries revenues support the administration and general activities of the Diocese. In addition, the Diocese sponsors self-insured medical and dental care, workers' compensation programs, property, casualty, liability and other insurance programs, and Priest pension and postretirement benefit plans for the Diocese and other Diocesan entities and their employees. The other Diocesan entities are responsible for their respective portions of the cost of these programs.

Additionally, the Diocese operates elderly housing facilities, life use and rental properties for elderly residents (Teresian Towers and Carmel Ridge Estates), and pastoral care services for residents at nursing homes. In addition, the Diocese directly operates fifteen Catholic cemeteries and publishes the Fairfield County Catholic, a monthly publication available to all Catholics in the Roman Catholic Diocese of Bridgeport.

On July 1, 2021, cemeteries operations was established as a single member limited liability company, named Fairfield County Catholic Cemeteries of the Diocese of Bridgeport LLC ("Catholic Cemeteries"). Catholic Cemeteries is wholly owned by its Member, the Diocese, and its named Manager is the Bishop of the Diocese of Bridgeport. Catholic Cemeteries has a Board of Directors that oversees, administers and otherwise operates the cemetery business.

Catholic Cemeteries mission is to provide for the burial of the faithful according to the rites and disciplines of the Catholic Church and for the care and maintenance of their resting places. Catholic Cemeteries also provides advance/pre-planning needs and bereavement programs for those in need.

The Diocese has established several other single member limited liability companies ("LLC's"), wholly owned by the Diocese to acquire, hold, maintain or improve real property and improvements. These properties consist of the original land, buildings and certain property additions of a high school and parish properties that have been closed or separated from an original parish. These LLC's are St. Joseph High School Properties LLC, Holy Rosary LLC, St. Raphael LLC, St. Joseph Properties, LLC and Our Lady of Good Counsel LLC (collectively, "Diocesan LLC Properties"). During November 2021, St. Joseph's High School Properties LLC and Holy Rosary LLC were dissolved and during April 2022 Our Lady of Good Counsel, LLC was dissolved following the sale of their respective properties and the distribution of assets. The consolidated financial statements reflect the financial activities of these entities.

The following related Diocesan entities throughout Fairfield County, Connecticut are separately incorporated and independently controlled and/or managed on a day-to-day basis and their activities are not included in the accompanying consolidated financial statements:

- 75 parishes, four quasi-parishes and one shrine and oratory
- 20 elementary schools and five high schools
- The Sacred Heart Guild, Inc.
- Bridgeport Diocesan Schools Corporation
- Catholic School Properties Fairfield County, Inc.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

- Foundations in Faith, Inc.
- Foundations in Education, Inc.
- Foundations in Charity, Inc.
- We Stand with Christ Inc.
- The Seton Collaborative, Inc.
- Marian Work Study, Inc.
- Augustana Homes, Inc.
- Cardinal Shehan Center and the McGivney Community Center, after school programs for children
- St. Catherine Center for Special Needs, Inc., which provides educational and pastoral services for people with developmental disabilities including autism
- Catholic Charities of Fairfield County, Inc. ("Catholic Charities")
- Inner-City Foundation for Charity and Education, Inc. (dissolved December 17, 2021)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting and Presentation***

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation.

***Classifications of Net Assets***

The Diocese reports its net assets and changes therein based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - consist of resources available for the general support of the Diocese's operations, which may be used at the discretion of management and the Bishop of the Roman Catholic Diocese of Bridgeport.

Net assets without donor restrictions also include assets subject to legal, contractual or internal imposed limitations that they be segregated and used for the perpetual care and maintenance of cemetery property.

The State of Connecticut requires the establishment of a fund for the perpetual care and maintenance of each mausoleum, columbarium and sale of each crypt or niche. Catholic Cemeteries deposits amounts into the perpetual care fund that equal or exceed the amounts required by the State of Connecticut. Additionally, Catholic Cemeteries designates and deposits 10% of each sale of grave burial and entombment rights into this perpetual care fund, which is not mandated by the State of Connecticut.

Certain contracts for private estates also established specific amounts to be designated for individual perpetual care needs.

Such funds are classified as without donor restrictions committed to perpetual care and maintenance within the accompanying statement of financial position. These funds were not contributions; therefore, they are not donor restricted under US GAAP. As of June 30, 2023 and 2022, contractually committed amounts were \$2,830,905 and \$2,532,512, respectively, and designated amounts were \$7,684,482 and \$6,388,534, respectively.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Net Assets With Donor Restrictions - net assets subject to the following donor-imposed stipulations:

- Some donor restrictions are temporary in nature that either expire with the passage of time or can be fulfilled by the actions of the Diocese pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. However, when restrictions on donor-restricted contributions and investment return are met in the same accounting period, such amounts are reported as part of net assets without donor restrictions.
- Other donor restrictions consist of funds that are subject to donor-imposed restrictions requiring that the principal be invested in perpetuity and the income be used for specific or general purposes.

***Cash and Cash Equivalents***

Cash and cash equivalents are defined as highly liquid investments with original maturities of up to 90 days from the date of purchase, except for money market accounts held with investment brokers, which are considered to be held for long-term investment purposes.

***Restricted Cash and Special Collections Payable***

Restricted cash and special collections payable represent funds received from parishes throughout the Diocese for special offertory collections on designated days for the benefit of other non-Diocesan Catholic entities at the direction of the U.S. Conference of Catholic Bishops, which are being held until future payment.

***Investments***

Investments in equity and debt securities with readily determinable fair values are recorded at fair value determined on the basis of quoted market values as of the reporting date. Investments in non-exchange traded alternative investments are recorded at the fair value of the Diocese's unit value in these funds as reported by the respective external investment managers. All investments are managed by outside investment advisors subject to the review, approval, and control of the Diocese. Such valuations involve assumptions and methods that are reviewed by the Diocese for reasonableness.

Purchases and sales of securities are recorded on the trade-date basis. Dividends and interest are recognized as earned. Realized and unrealized gains include the Diocese's gains and losses on investments purchased and sold as well as held during the year.

***Fair Value Measurements***

The Diocese follows guidance which establishes a framework for measuring fair value, and expands disclosures about fair value measurements and provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Observable inputs are inputs that market participants would use in pricing the respective asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is categorized into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the reporting entity. The Diocese considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Diocese's perceived risk of that instrument.

The Diocese's policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

***Investments - Other***

Investments in and advances in entities in which the Diocese has a substantial ownership interest, considered to be approximately 20% to 50%, or for which the Diocese exercises significant influence but not control over policy decisions, are accounted for by the equity method. This method is not an indicator of the fair value of the investment, rather it is the initial cost adjusted for the Diocese's share of earnings and losses of the investee, any additional investments, return of capital and distributions. In June 2022, the Diocese received a distribution of its ending capital balance totaling \$1,375,207 for a limited partner equity interest in a partnership that was terminated. The Diocese's capital balance as of June 30, 2023 and 2022 totaled \$0.

***Amounts Due from Related Diocesan Entities***

Amounts due from related Diocesan entities relate primarily to amounts due for employee benefits, insurance premiums, pension premiums, Cathedraticum from parishes and advances made to parishes, educational institutions, and other Diocesan affiliated organizations that are in financial need. Because of the uncertainty surrounding collection, management provides an allowance for doubtful accounts based on consideration of the type of receivable, responsible party, the known financial condition of the respective parish or Diocesan affiliated organization, historical collection patterns and comparative aging. These estimates are reviewed periodically and if the financial condition of the responsible party changes

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

significantly, the Diocese will re-evaluate the recoverability of any amounts due from that organization. The Diocese writes off any amounts that are no longer considered to be recoverable, and any payments subsequently received on such receivables are recorded as income in the period received.

***Cemetery Inventory***

Cemetery inventory, which represents the cost of each unsold space, is stated at the lower of cost (computed based on the allocation of total costs incurred in the construction of the mausoleums) or market. As sales are recognized, inventory is reduced by the cost of the space sold.

Cemetery inventory consists of the following as of June 30:

	2023	2022
Crypts	\$ 4,206,914	\$ 1,235,085
Niches	450,908	537,457
Construction in progress (Mausoleum)	653,176	3,749,164
Total inventory	\$ 5,310,998	\$ 5,521,706

Many land graves were acquired by the Diocese when formed in 1953 and within certain cemeteries that were established years before, which inventory values are considered de minimis.

***Beneficial Interest in Trust Held by Others***

The Diocese has been named as a beneficiary of a perpetual trust held by a third party. Perpetual trusts are initially recorded as permanently restricted support at fair value, based on the Diocese's beneficial interest in the fair value of the underlying trust assets at the time of gift. Subsequent changes in the trust's fair value are reported as changes in value in beneficial interests on the consolidated statements of activities. At June 30, 2023 and 2022, the balance of the Diocese's beneficial interest in a perpetual trust is \$441,527 and \$431,983, respectively, and is classified as Level 3 within the fair value hierarchy. The income received from the trust is designated for the benefit of seminarian education and recorded as part of investment income with donor restrictions.

The table below sets forth a summary of changes in fair value of the Diocese's Level 3 beneficial interest in trust held by others for the years ended June 30:

	2023	2022
Balance, beginning of year	\$ 431,983	\$ 537,950
Distributions	(30,000)	(25,000)
Change in fair value of beneficial interest in trust	39,544	(80,967)
Balance, end of year	\$ 441,527	\$ 431,983



**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

***Property, Buildings and Equipment***

Property acquisitions and improvements are stated at cost, or in the case of donations, at fair value as determined on the date of gift. Additions and improvements that exceed \$2,500 and with useful lives greater than five years are capitalized and depreciated on a straight-line basis over the following estimated useful lives:

Furniture and fixtures	10 years
Vehicles, computers and other equipment	5 - 12 years
Buildings and related improvements	30 - 40 years
Land improvements	30 years

Repairs and maintenance are charged to expense as incurred. Property acquired under capital lease arrangements is capitalized and amortized over the useful life of the related asset or the lease term, whichever is shorter.

***Leases***

The Diocese adopted Accounting Standards Update 2016-02, *Leases (Topic 842)* as of July 1, 2022. The Diocese elected the modified retrospective transition method and did not restate prior comparative periods. After the adoption of this standard, the Diocese determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Diocese controls the use of the identified asset throughout the period of use. The Diocese classifies leases as either financing or operating. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the Diocese's right to use an underlying asset for the lease term and lease liabilities represent the Diocese's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based on the risk-free rate. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the income statement. Operating leases are presented separately as operating lease ROU assets and operating lease liabilities in the consolidated statement of financial position. The Diocese does not have any financing leases.

The Diocese elected certain practical expedients permitted under the standard's transition guidance. The practical expedients eliminate the need to reassess the lease classification of expired or existing leases, the need to assess whether any expired or existing contracts are or contain leases, the need to separately assess lease and non-lease components, and the need to reassess initial direct costs for any existing leases. The Diocese also elected the short-term lease practical expedient, and accordingly, does not record ROU lease assets or lease liabilities with terms less than 12 months. In addition, the Diocese utilized the portfolio approach to group leases with similar characteristics.

The Diocese's adoption of this standard on July 1, 2022 resulted in the recording of an initial ROU operating lease asset and liability each totaling \$197,417 (See Note 19 for additional information).

***Deferred Revenue and Refundable Advances***

Funds that are received from related entities for medical insurance premiums relating to future periods and certain cemetery revenues where the related performance obligation has not yet been completed as of year-end are reflected within deferred revenue and refundable advances on the consolidated statements of financial position and are subsequently reflected in the consolidated statements of activities during the period in which they apply and are earned. As of June 30, 2023 and 2022, \$186,912 and \$1,025,130,

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

respectively, are within deferred revenue and refundable advances pertaining to cemetery revenues and are also included in cemeteries and other accounts receivable, net.

Amounts of grants and contracts that are received but unearned are reflected within deferred revenue and refundable advances on the consolidated statements of financial position and are subsequently reflected in the consolidated statements of activities during the period to which they apply as funds are expended or earned

***Deferred Revenue - Life Use Fees and Rental Income***

The Diocese operates certain homes for life use and rental properties for elderly residents (Teresian Towers and Carmel Ridge Estates) in which a resident enters into a residency agreement requiring the payment of a one-time life use fee and a monthly service fee. These fees are exclusively for the costs of occupancy of the residential unit for life and no portion of the fee is allocated for medical care or services for the resident. The life use fee is refundable at a rate of 10% per annum from the date the resident is entitled to occupancy under the agreement to the date the unit is vacated by the resident. Teresian Towers also provides other senior living options that operate under operating lease agreements that do not require payment of a life use fee and are recorded as rental income in the period earned.

Life use fees paid by the resident upon executing a residency agreement are recorded as deferred revenue and amortized into rental income based on the longer of the actuarially determined remaining estimated life of the respective resident or the remaining refundable term under the executed contract. Monthly service fees include resident maintenance fees and are recognized as part of rental income in the month in which they are earned.

***Due to Related Diocesan Entities***

Amounts received from the Annual Bishop's Appeal and other contributions earmarked for support of related entities are recorded as due to related diocesan entities on the consolidated statements of financial position.

***Conditional Asset Retirement Obligations***

The Diocese has conditional asset retirement obligations ("CARO") for asbestos materials and underground storage tanks associated with buildings it owns. Those obligations are defined as legal obligations associated with the eventual retirement of tangible long-lived assets in which the timing and/or the method of settlement is conditional on a future event that may or may not be within the control of the Diocese. The present value of those obligations and the resulting accretion expense, together with the related asset retirement cost capitalized, accumulated depreciation and depreciation expense are recognized in the consolidated financial statements. As of June 30, 2023 and 2022, the CARO liability totaled \$6,330,151 and \$6,070,062, respectively. For the years ended June 30, 2023 and 2022, accretion of interest related to these obligations totaled \$336,897 and \$329,318, respectively. During 2023, an additional adjustment totaling (\$76,808) was captured related to the sale of a property. Additionally, as of June 30, 2023 and 2022, included in buildings and improvements are capitalized CARO at a cost of \$179,825 and accumulated depreciation of \$175,962 and \$174,474, respectively.

***Revenue Recognition***

The Diocese recognizes revenue when control of the promised goods or services are transferred to the Diocese's customers in an amount that reflects the consideration the Diocese expects to be entitled to in exchange for those goods or services. The Diocese has identified employee benefit and insurance programs, cemeteries operations and elderly housing and other rental income as the primary revenue categories subject to this guidance.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Payments received in advance of the Diocese satisfying its performance obligations are recorded within deferred revenue and refundable advances in the consolidated statements of financial position. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments. The Diocese's contracts with customers generally contain terms that are less than one year. Accordingly, The Diocese elected the practical expedients to not assess whether a contract has a significant financing component or disclose the information regarding the remaining performance obligations for contracts with customers.

***Cemeteries Revenues***

Catholic Cemeteries sell rights to interment and entombment on retail installment agreements generally of not more than two-year's duration, without interest. These amounts are recognized as revenue at the point in time when the contract is executed. Other specific revenues generated from sales of pre-construction mausoleums are deferred until the construction is completed and corresponding mausoleum is available for use, at which time the corresponding revenue is recognized. Revenues related to the sales of cemetery merchandise or cemetery burial site openings and closings are recorded at the point in time of delivery or performance of the related services.

A portion of revenue from sales is invested, at an amount determined by management that meets or exceeds what is required by Connecticut regulations and, together with the investment income therefrom, is available for perpetual care and maintenance of cemetery properties. The value of the investments in this discretionary account totaled \$7,684,482 and \$6,388,534, as of June 30, 2023 and 2022, respectively.

In addition, owners of private property improvements (private mausoleums, estate walls, etc.) at the cemeteries provided additional funds at the time of purchase that are required to be held by the Diocese in a separate investment account and invested in perpetuity. Investment income therefrom, is available for care and maintenance for those specific property improvements. The value of the investments for owners of private property improvements totaled \$2,830,905 and \$2,532,512 as of June 30, 2023 and 2022, respectively.

Cemeteries and other accounts receivable are shown net of an allowance of \$373,508 and \$509,856 as of June 30, 2023 and 2022, respectively. These receivables are all due within two years.

***Contributions***

The Diocese recognizes revenues from contributions and grants in accordance with guidance requiring the Diocese to evaluate whether (1) transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional.

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are expected to be received after one year are discounted to reflect the present value of future cash flows using a credit adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided in the net asset class in which the contribution receivable resides based on an assessment of the creditworthiness of the respective donor. Contributions are written off when determined to be uncollectible. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributed services are recognized in the consolidated financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet this criteria for recognition.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Intentions to give under various wills and trust agreements are recorded as bequests receivable when the Diocese has an irrevocable right to the bequest and the proceeds are measurable.

***Annual Bishop's Appeal***

The Annual Bishop's Appeal provides support for Diocesan mission related programs and program support for certain related entities. Appeal goals are established annually for parishes as well as solicitations to parishioners. The Annual Bishop's Appeal is conducted on a calendar year basis. Contributions are recorded in the period received.

***Cathedraticum***

Annually, a Cathedraticum assessment is determined for each parish, which is based on certain revenues of the parish. The Cathedraticum assessment helps to support the Diocesan ministries and necessary administrative services that directly benefit the Diocesan parishes. Assessments are billed monthly during the fiscal year. Revenue related to the Cathedraticum assessments are recorded when billed.

***Rental Income***

Elderly housing and other rental income is recognized over the period the related performance obligations are satisfied.

The Diocese leases office and other space to related entities under short-term leases and recognizes rental income ratably over the lease term. The lease agreements are executed on an annual basis.

Catholic Cemeteries leases a residence on cemetery grounds under a short-term lease and recognizes rental income ratably over the lease term. The lease agreement is executed on an annual.

***Employee Benefit and Insurance Programs***

Premiums for employee benefits, property, liability and workers compensation insurance are billed by the Diocese on a monthly basis to parishes, schools and other entities related to the Diocese and are recognized as revenue in the period for which the coverage pertains.

***Functional Expense Allocation***

Expenses are charged directly to Diocesan program services, management and general, and stewardship and development based on specific identification, to the extent practicable. Expenses related to more than one function have been allocated using reasonable ratios, as determined by management, amongst the programs and supporting services benefited. Those expenses include personnel costs, insurance, professional fees, occupancy, operations, office and depreciation. Management and general expenses include those expenses that are not directly identifiable with a specific function, but provide for the overall support and direction of the Diocese.

***Operating Measure***

The Diocese classifies its consolidated statements of activities into operating and nonoperating activities. Operating activities principally include all income and expenses related to carrying out the Diocese's mission, including interest and dividends from Diocesan operations and rental income. Nonoperating activities include interest and dividends not included in operating activities, realized and unrealized return (losses) on investments, change in value of beneficial interest, insurance proceeds, recovery of bad debt, gain or loss on sale of assets, contributions from dissolved related entities, pension activity other than net periodic benefit cost, support to certain diocesan schools and other activities considered to be of a more unusual or nonrecurring nature, if any.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

***Use of Estimates***

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated statement of financial position and the reported amounts of revenues and expenses during the reporting period. The most significant management judgments and estimates used in the preparation of the consolidated financial statements relate to the determination of depreciation and accretion expense, the reported fair value of certain financial instruments, the actuarial assumptions used to determine the reserves for self-insurance, liability for Priest pension and other postretirement benefits, provision for operating accruals, and the collectability of amounts due from related Diocesan entities, contributions receivable, notes receivable and cemetery installment contracts. Actual results could differ from those estimates.

***Concentration of Market and Credit Risks***

Cash, cash equivalents and investments are exposed to interest rate, market, and credit risks. The Diocese maintains its cash and cash equivalents in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the Diocese's cash accounts are placed with high-credit quality financial institutions, and the Diocese's investment portfolio is diversified with several investment managers in a variety of asset classes. The Diocese regularly evaluates its depository arrangements and investments, including performance thereof.

***Income Taxes***

The Diocese recognizes an individual tax position in its consolidated financial statements based upon whether the tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Diocese has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and to review other matters that may be considered tax positions. As of June 30, 2023 and 2022, management has determined that the Diocese has no material uncertain tax positions that would require recognition or disclosure in its consolidated financial statements.

In an annually updated ruling, the Internal Revenue Service ("IRS") has held that agencies, instrumentalities and educational, charitable, and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in "The Official Catholic Directory" are exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Diocese is listed in "The Official Catholic Directory" and therefore is exempt from income tax. Accordingly, the accompanying consolidated financial statements reflect no provision for income taxes.

***Liquidity and Availability***

The Diocese's working capital and cash flows have cyclical variations during the year attributable to the cash receipts for contributions from the Annual Catholic Appeal, Cathedraticum assessment paid by parishes, rental income and other program fees as well as billings for medical, self-insurance and other fees to related entities.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Total financial assets available to meet cash needs for general expenditures as of June 30, 2023 and 2022 are as follows:

	2023	2022
Cash and cash equivalents	\$ 11,459,663	\$ 37,348,694
Cemeteries and other accounts receivable, net, due within one year	1,843,023	2,640,215
Due from related Diocesan entities, net	1,641,329	1,193,820
Contributions receivable, net, due within one year	2,346,830	2,501,162
Insurance recoveries receivable	675,222	352,874
Notes receivable, net, amounts collectible within one year	586,809	586,809
Investments, at fair value	38,766,713	11,198,074
Financial assets as of fiscal year end	57,319,589	56,821,648
Less: amounts unavailable for general expenditures due to:		
Designated for cemetery care and maintenance	(10,515,387)	(8,921,046)
Subject to grantor time and purpose restrictions	(4,310,221)	(4,938,751)
Financial assets as of fiscal year end available to meet needs for general expenditures	\$ 42,493,981	\$ 41,961,851

**Reclassifications**

Certain accounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current year consolidated financial statements. These reclassifications have no effect on previously reported total assets, liabilities, or change in net assets.

**NOTE 3 - CONTRIBUTIONS RECEIVABLE, NET**

Contributions receivable, net, consist of the following unconditional promises to give at June 30:

	2023	2022
Amounts expected to be collected in:		
Less than one year	\$ 2,407,330	\$ 2,605,462
One to four years	-	12,500
	2,407,330	2,617,962
Less:		
Provision for doubtful accounts	(60,500)	(104,300)
	\$ 2,346,830	\$ 2,513,662

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

**NOTE 4 - NOTES RECEIVABLE, NET**

During April 2023, the Diocese received a non-interest bearing note receivable from a parish totaling \$178,724 for settlement of outstanding obligations. Under the terms of the agreement annual payments of \$17,872 (final payment of \$17,976) will commence in December 2023, maturing in 2033. The outstanding balance on this note receivable as of June 30, 2023 totaled \$146,339, net of a discount for present value of \$32,385 (discount rate of 3.81%).

During February 2023, the Diocese received a non-interest bearing note receivable from a school totaling \$122,312 for settlement of outstanding obligations. Under the terms of the agreement three payments totaling \$40,770 were payable by April 2023. The next payment of \$16,308 is due in January 2024 followed by three additional annual payments of \$16,308 and a final payment of \$16,309, maturing in 2028. The outstanding balance on this note receivable as of June 30, 2023 totaled \$72,337, net of a discount for present value of \$9,204 (discount rate of 4.13%).

During November 2022, the Diocese received a non-interest bearing note receivable from a school totaling \$133,390 for settlement of outstanding obligations. Under the terms of the agreement a payment totaling \$43,103 was payable by December 2022. Annual payments of \$17,572 will commence in September 2023, maturing in 2026. The outstanding balance on this note receivable as of June 30, 2023 totaled \$63,590, net of a discount for present value of \$6,697 (discount rate of 4.13%).

During November 2022, the Diocese received a non-interest bearing note receivable from a school totaling \$320,000 for capital improvements. This note is payable on demand. The outstanding balance on this note receivable is \$320,000 as of June 30, 2023.

During August 2022, the Diocese received a non-interest bearing note receivable from a related not-for-profit corporation totaling \$200,000 for capital improvement needs. This note is secured by real property and payable on demand. The outstanding balance on this note receivable is \$200,000 as of June 30, 2023.

During March 2022, the Diocese received a non-interest bearing note receivable from a school totaling \$518,348 for settlement of outstanding obligations. Under the terms of the agreement annual payments of \$34,555 will commence in fiscal year 2024, maturing in 2039. The outstanding balance on this note receivable as of June 30, 2023 and 2022 totaled \$369,120, net of a discount for present value of \$149,228 (discount rate of 4.01%).

During June 2022, the Diocese received a non-interest bearing note receivable from a parish totaling \$500,000 for settlement of outstanding obligations. Under the terms of the agreement annual payments of \$34,556 will commence in fiscal year 2023, maturing in 2031. The outstanding balance on this note receivable as of June 30, 2023 and 2022 totaled \$374,575 and \$403,789, net of a discount for present value of \$62,925 and \$96,211 (discount rate of 4.04%), respectively.

During June 2022, the Diocese received a non-interest bearing note receivable from a parish totaling \$269,577 for settlement of outstanding obligations. Under the terms of the agreement annual payments of \$26,958 will commence in fiscal year 2023, maturing in 2033. The outstanding balance on this note receivable as of June 30, 2023 and 2022 totaled \$193,811 and \$209,743, net of a discount for present value of \$47,266 and \$59,834 (discount rate of 4.04%), respectively. The terms of this note payable was modified on June 1, 2023 requiring monthly payments of \$1,500 from July 1, 2023 through June 1, 2025 with monthly payments increasing to \$2,250 in July 2025, continuing until the note is paid in full.

During March 2021, the Diocese received a non-interest bearing note for \$10,072,500 from a buyer who purchased a Diocesan school property. Under the terms of the agreement a balloon payment for the balance of the note is due during March 2026. The note is secured by the property sold. The outstanding

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

balance on this note receivable as of June 30, 2023 and 2022 totaled \$9,537,799 and \$9,359,566, net of a discount for present value of \$534,701 and \$712,934, (discount rate of 1.87%), respectively.

During June 2018, the Diocese received a non-interest bearing note receivable from a parish totaling \$100,000 for capital improvement needs. This note is secured by real property, payable on demand and unsecured. The outstanding balance on this note receivable is \$100,000 as of June 30, 2023 and 2022, however, as of June 30, 2022, this note has been totally reserved for.

During fiscal 2017, the Diocese converted \$1,747,965 of amounts due from a related Diocesan corporation, which pertain to receivables due from suppressed parishes to a non-interest bearing note receivable that is secured by the borrower's real property and rental income. This note receivable is due on demand and the outstanding balance as of June 30, 2023 and 2022 totaled \$1,406,203, net of a discount for present value of \$341,761 (discount rate of 3.31%), respectively.

During January 2012, the Diocese received a non-interest bearing note receivable from a parish totaling \$434,569 for outstanding obligations. The note is secured by real property and is due and payable during January 2032. The outstanding balance on this note receivable is \$93,478 as of June 30, 2023 and 2022.

The Diocese has recorded the amortization of the discount on its notes receivables within nonoperating activities in the consolidated statement of activities.

At June 30, 2023, payments due under notes receivable follow:

Year Ending June 30,

2024	\$	586,807
2025		12,087,271
2026		175,807
2027		175,806
2028		158,236
Thereafter		<u>877,492</u>
		14,061,419
Less:		
Discount to net present value		(1,184,167)
Provision for doubtful accounts		<u>(100,000)</u>
	\$	<u>12,777,252</u>



**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

**NOTE 5 - DUE FROM RELATED DIOCESAN ENTITIES, NET**

Due from related Diocesan entities, net, consists of the following at June 30:

	2023	2022
Parishes	\$ 5,862,909	\$ 6,303,461
Schools	5,549,527	5,287,293
Other	127,972	89,796
	11,540,408	11,680,550
Less: provision for doubtful accounts	(9,899,079)	(10,486,730)
	\$ 1,641,329	\$ 1,193,820

A significant portion of amounts due from related Diocesan entities has accumulated over several years and relates to financial transactions with related Diocesan entities. Such transactions include billings for Cathedralicum, employee benefits, insurance premiums, pension premiums as well as advances made to such entities that are in financial need.

**NOTE 6 - INVESTMENTS, AT FAIR VALUE**

As of June 30, 2023, investments, at fair value, by fair value hierarchy level, consist of the following:

Description	Level 1	Level 3	Total
U.S. Treasury Bills (maturity greater than 90 days)	\$ 26,514,614	\$ -	\$ 26,514,614
Equity mutual funds	8,150,966	-	8,150,966
Bond mutual funds	3,541,328	-	3,541,328
Catholic Umbrella Pool	-	559,805	559,805
Total investments, at fair value	\$ 38,206,908	\$ 559,805	\$ 38,766,713

As of June 30, 2022, investments, at fair value, by fair value hierarchy level, consist of the following:

Description	Level 1	Level 3	Total
Money market funds	\$ 214,969	\$ -	\$ 214,969
Common stocks	456,493	-	456,493
Equity mutual funds	6,717,701	-	6,717,701
Bond mutual funds	3,380,760	-	3,380,760
Catholic Umbrella Pool	-	428,151	428,151
Total investments, at fair value	\$ 10,769,923	\$ 428,151	\$ 11,198,074

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

The following table summarizes the changes in the Diocese's Level 3 investments for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 428,151	\$ 551,489
Change in value	<u>131,654</u>	<u>(123,338)</u>
Balance, end of year	<u>\$ 559,805</u>	<u>\$ 428,151</u>

**NOTE 7 - CEMETERIES AND OTHER ACCOUNTS RECEIVABLE**

Cemeteries and other accounts receivable, net, consist of the following payments due at June 30:

	<u>2023</u>	<u>2022</u>
2024	\$ 2,196,937	\$ 3,006,001
2025	<u>585,423</u>	<u>1,097,206</u>
	2,782,360	4,103,207
Less: provision for doubtful accounts	<u>(393,718)</u>	<u>(509,856)</u>
	<u>\$ 2,388,642</u>	<u>\$ 3,593,351</u>

**NOTE 8 - PROPERTY, BUILDINGS AND EQUIPMENT, NET**

Property, buildings and equipment, net, consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 3,102,554	\$ 2,983,165
Vehicles, computers and other equipment	4,547,838	4,283,220
Buildings and improvements	<u>60,503,497</u>	<u>59,567,715</u>
	<u>68,153,889</u>	<u>66,834,100</u>
Less: accumulated depreciation	<u>(53,474,287)</u>	<u>(52,483,087)</u>
	14,679,602	14,351,013
Construction in progress	120,269	89,373
Land improvements	6,733,454	5,700,111
Land	<u>12,420,170</u>	<u>12,420,170</u>
Property, buildings and equipment, net	<u>\$ 33,953,495</u>	<u>\$ 32,560,667</u>
Properties held for sale	<u>\$ 183,742</u>	<u>\$ 183,742</u>

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Certain land and buildings owned by the Diocese, with a net book value of \$10,045,848 and \$10,390,629 at June 30, 2023 and 2022, respectively, are made available to Diocesan high schools, elementary schools and the middle school for their use, free of rent. In addition, land and buildings owned by the Diocese with a net book value of \$248,645 and \$355,591 at June 30, 2023 and 2022, respectively, are leased to Sacred Heart University through April 30, 2080, with Sacred Heart University paying for all utilities, maintenance and repairs, and insurance, in exchange for tuition credits, which totaled approximately \$218,000 and \$199,000 for 2023 and 2022, respectively. The tuition credits are utilized by Diocesan seminarians seeking undergraduate degrees or individual courses.

**NOTE 9 - BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATIONS IN FAITH, INC.**

Foundations in Faith, Inc. a related Diocesan entity, is a Connecticut nonprofit, non-stock corporation formed in February 1996. Foundations in Faith was established to raise, manage and disburse funds raised by the Foundations in Faith Endowment Campaign of the Roman Catholic Diocese of Bridgeport. The campaign purposes were to create a permanent endowment to support Catholic education, vocation and seminary education, priests' residence and retirement fund and Diocesan ministries and programs that benefit Diocesan regional high schools, elementary schools and the Diocese. Foundations in Faith and the Diocese are considered to be financially interrelated under US GAAP as both entities are under common control of the Bishop of the Diocese of Bridgeport and the Diocese is the beneficiary of certain endowment funds held by Foundations in Faith. Accordingly, the Diocese records its respective interest in the assets of Foundations in Faith and the change in its interest using a method similar to the equity method of accounting. As of June 30, 2023 and 2022, the Diocese has recorded a beneficial interest in assets held by Foundations in Faith of \$11,048,447 and \$10,380,036, respectively, on the accompanying consolidated statements of financial position and are classified as Level 3 within the fair value hierarchy.

**NOTE 10 - DUE TO RELATED DIOCESAN ENTITIES**

Amounts due to related Diocesan entities consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Catholic Charities of Fairfield County, Inc.	\$ 121,379	\$ 84,880
Foundations in Education, Inc.	346,809	294,870
The Catholic Academy of Bridgeport Inc.	141,850	48,000
Parishes - Annual Bishop's Appeal over-goal rebates	267,213	164,450
Related entities - Annual Bishop's Appeal	236,244	275,507
Other related entities	193,200	-
	<u>\$ 1,306,695</u>	<u>\$ 867,707</u>

**NOTE 11 - INSURANCE PROGRAMS**

The Diocese participates and maintains insurance programs for medical, dental, prescription drugs, property, liability, automobile, workers compensation and unemployment compensation (unemployment compensation only for those entities who elected to opt in). The participants of these programs also include the parishes, schools and other entities owned by or related to the Diocese. Premiums charged to the various participating entities and payments made on insurance claims are reported as revenues and expenses, respectively, within the employee benefit and insurance programs in the consolidated statement of activities. Insurance program costs are reflected in the consolidated statements of activities within their respective functional classification.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Medical, dental and prescription drug coverages were self-insured until December 31, 2022 and claims were processed by a third-party provider. On January 1, 2023, the Diocese joined a Catholic not-for-profit healthcare benefits trust, which provides medical, dental and prescription drug coverages, within a fully insured plan. Property, liability, automobile, workers compensation and unemployment compensation (unemployment compensation only for those entities who elected to opt in) are fully insured. Both self-insurance and fully insured coverages are subject to certain deductibles and limits per respective policies.

**NOTE 12 - NOTE PAYABLE**

On April 14, 2020, the Diocese received loan proceeds in the amount of \$2,642,200 under the Paycheck Protection Program ("PPP Loan"). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. On August 20, 2021, the Diocese received notification from the Small Business Administration of PPP Loan forgiveness totaling \$2,642,200, the full amount of this loan. The forgiveness has been recognized within nonoperating activities on the accompanying statement of activities as PPP forgiveness for the year ended June 30, 2022.

On December 16, 2020, the Diocese obtained a construction loan totaling \$4.5 million, with a fixed interest rate of 3.25%, to be utilized for the construction of a mausoleum in Trumbull, Connecticut. The construction commenced in December 2020 with projected completion by the summer of 2021. The loan has a total term of 84 months with the initial 24 months pertaining to the construction phase, followed by 60 month permanent term. During the construction phase interest only payments are due, with the remaining permanent term requiring principal and interest payments. The Diocese was in compliance with the terms of the loan or received a covenant waiver at June 30, 2023 and 2022. As of June 30, 2023 and 2022, the outstanding balance on this loan totaled \$4,083,211 and \$509,000, respectively.

Scheduled payments due on notes payable at June 30, 2023 are as follows:

2024	\$	855,111
2025		884,336
2026		913,920
2027		944,494
2028		<u>485,350</u>
Total	\$	<u>4,083,211</u>

**NOTE 13 - LINE OF CREDIT**

The Diocese maintains a revolving line of credit agreement with a bank with maximum borrowings of \$3 million. The credit agreement bears interest equal to the SOFR loan rate as of April 21, 2023 and at the one-month LIBOR rate as of June 30, 2022, plus 1.5% (rate at June 30, 2023 and 2022 was 6.56% and 3.0%) and contains various covenants. This line of credit expired on April 21, 2023 (See subsequent event). This line of credit has not been utilized since obtaining. The Diocese was in compliance with the terms of the line of credit as of April 21, 2023, its expiration and June 30, 2022. During September 2023 a request for a new line of credit was submitted. Draft loan terms are currently under review and expectations are this line of credit will be approved and finalized in January 2024.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

**NOTE 14 - NET ASSETS WITH DONOR RESTRICTIONS**

Restricted net assets at June 30:

	2023	2022
Subject to an expenditure for a specific purpose:		
Queen of clergy capital improvements and other	\$ 504,937	\$ 276,545
Seminary capital improvements and other	277,312	276,182
School capital improvements and other	-	700,000
Education grants	299,625	266,618
Diocesan programs	297,420	319,057
Newman center - ministry programs	160,749	152,910
World youth day	118,332	115,832
Catholic leadership institute	77,459	110,828
Other	232,556	207,117
Total purpose restricted	1,968,390	2,425,089
Subject to the passage of time:		
Contributions receivable	2,341,831	2,513,662
Total time restricted	2,341,831	2,513,662
Perpetual in nature:		
Beneficial interest in trust held by others	441,527	431,983
Beneficial interest in assets held by Foundations in Faith	11,048,447	10,380,036
Total perpetual in nature	11,489,974	10,812,019
Total net assets with donor restrictions	\$ 15,800,195	\$ 15,750,770

Net assets were released from restrictions by incurring expenses satisfying the following purpose or time restrictions for the years ended June 30:

	2023	2022
Purpose restrictions	\$ 2,069,258	\$ 770,857
Time restrictions	1,483,387	524,549
Total net assets released from restrictions	\$ 3,552,645	\$ 1,295,406

**NOTE 15 - SALE OF PROPERTIES**

During February 2023, the Diocese sold a property in Bridgeport, CT for \$750,000. This property was fully depreciated for a gain, after sales expenses, totaling \$494,545.

During April 2022, Our Lady of Good Counsel LLC sold various buildings in Bridgeport, CT for \$750,000. This property was fully depreciated with a land value of \$444,500, for a gain, after sales expenses, totaling \$266,568.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

During March 2021, the Diocese executed an asset sale agreement for school buildings and improvements located in Stamford, Connecticut to a religious organization who will utilize the facilities to operate a Catholic School. The total sale price is \$16,022,500 of which \$5,950,000 was received by the Diocese at closing, in which \$1,400,000 was placed into an escrow account until a lien on this property is released, which occurred during fiscal 2022 and the escrow funds were released to the Diocese, the remaining non-interest-bearing note of \$10,072,500 is due in year five and was initially recorded at \$9,181,333, representing the present value of the future cash flows.

In connection with the asset and sale agreement the Diocese also executed a land lease for the underlying property. The land lease has an initial term of 99 years at a cost of \$2,827,500, of which \$1,050,000 was received at closing and the remaining balance of \$1,620,235 is due during March 2026. The Diocese is recognizing revenue pertaining to the ground lease ratably over the 99-year term. Amounts received in advance of recognition are recorded as deferred revenue. As of June 30, 2023 and 2022, the deferred revenue balance totaled \$985,739 and \$1,014,299, respectively.

**NOTE 16 - DEFINED BENEFIT PLANS**

***Bridgeport Diocesan Pension Plan (Lay Plan)***

The Diocese participates in the Bridgeport Diocesan Pension Plan (the "Lay Plan"), a multiemployer, defined benefit plan sponsored by the Roman Catholic Diocese of Bridgeport. The Lay Plan covers lay employees of the Diocese and other Diocesan entities who worked at least 20 hours per week and met the eligibility requirements of three years of continuous service and 30 years of age on or before July 2, 2008. Effective July 31, 2010, pension benefits under the plan were frozen. No additional benefits will be earned by participants for services rendered after that date. Pension benefits are based on years of service and average compensation over a five-year period during the last ten years of employment prior to July 31, 2010.

Due to the nature of the Lay Plan, it is not practicable to determine the extent to which the assets of the Lay Plan cover the actuarially computed value of vested benefits for the Diocese on a standalone basis. In addition, because the Lay Plan is considered to be a multi-employer plan, it is only subject to certain minimum reporting requirements. Pension expense allocated to the Diocese for the Lay Plan for the years ended June 30, 2023 and 2022 amounted to approximately \$475,000 and \$455,000, respectively and is expected to approximate \$465,000, for the year ending June 30, 2024. During the year ending June 30, 2023 and 2022, the Diocese contributed an additional \$300,000 and \$350,000, respectively, and expects to contribute an additional \$385,000 for the year ended June 30, 2024 to the Lay Plan from proceeds received from the sale of property, to fund the accumulated benefit obligation. Additionally, cemetery operations contributed an additional \$500,000 and \$250,000 to the Lay Plan for the years ended June 30, 2023 and 2022, respectively, and expects to contribute an additional \$350,000 for the year ended June 30, 2024 to fund the accumulated benefit obligation.

The Lay Plan is considered a church plan and is therefore exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

At June 30, 2023 and 2022, the date of the most recent valuation, the Lay Plan's projected benefit obligation exceeded the fair value of its assets by approximately \$60.9 million and \$71.7 million, respectively (unaudited).

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

***Diocese of Bridgeport Retirement Plan for Priests***

The Diocese of Bridgeport Retirement Plan for Priests (“Priest Plan”) is a non-contributory, defined benefit plan qualified under IRS regulations. The Priest Plan covers incardinated Diocesan priests and non-incardinated priests who have a minimum of 15 years continuous service and funding with pension benefits provided at a uniform monthly amount that may be increased from time to time, with a current benefit of \$2,100 for all active and retired priests. This payment will increase to \$2,200 for fiscal year 2024 and \$2,300 for fiscal year 2025 and thereafter. Plan assets are held by a third-party trustee.

The following tables provide a reconciliation of the changes in the Priest Plan’s funded status to the benefit obligation recorded in the consolidated statements of financial position at June 30, 2023 and 2022:

	2023	2022
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 23,357,624	\$ 25,556,837
Service cost	519,791	614,232
Interest cost	1,122,956	766,175
Actuarial (gain) loss	(1,543,781)	(5,448,173)
Benefits paid	(1,677,146)	(1,613,868)
Plan amendments	-	3,482,421
	<u>\$ 21,779,444</u>	<u>\$ 23,357,624</u>
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	\$ 16,636,634	\$ 21,483,317
Actual return on plan assets	1,666,697	(3,985,654)
Benefits paid	(1,677,146)	(1,613,868)
Plan sponsor contributions	708,906	752,839
	<u>\$ 17,335,091</u>	<u>\$ 16,636,634</u>
Unfunded status (liability)	<u>(4,444,353)</u>	<u>(6,720,990)</u>
Accumulated benefit obligation	<u>\$ 21,779,444</u>	<u>\$ 23,357,624</u>

Cumulative amounts recognized in changes in unrestricted net assets and not yet recognized in net periodic benefit cost consist of the following as of June 30:

	2023	2022
Net (gain) loss	\$ (246,966)	\$ 1,924,494
Unrecognized prior service cost	4,071,638	4,394,581
	<u>\$ 3,824,672</u>	<u>\$ 6,319,075</u>

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Net periodic benefit cost for the Priest Plan includes the following components during the years ended June 30:

	2023	2022
Service cost	\$ 519,791	\$ 614,232
Interest cost	1,122,956	766,175
Expected return on plan assets	(1,039,018)	(1,358,781)
Amortization of unrecognized prior service cost	322,943	124,955
Net periodic benefit cost	\$ 926,672	\$ 146,581

Amounts recognized in changes in unrestricted net assets consist of the following for the years ended June 30:

	2023	2022
Net (gain)	\$ (2,171,460)	\$ (103,738)
Amortization of unrecognized net loss	-	-
Prior service cost arising in current year	-	3,482,421
Amortization of unrecognized prior service cost	(322,943)	(124,955)
Pension-related activity other than net periodic benefit cost	\$ (2,494,403)	\$ 3,253,728

**Assumptions**

Weighted-average assumptions used to determine the benefit obligation are as follows at June 30:

	2023	2022
Discount rate	5.70%	5.00%
Rate of compensation increase	N/A	N/A

Weighted-average assumptions used to determine net periodic benefit cost are as follows for the years ended June 30:

	2023	2022
Discount rate	5.70%	5.00%
Expected long-term return on plan assets	6.50%	6.50%

**Contributions**

The Diocese expects to contribute approximately \$687,500 to the Priest Plan during the fiscal year ended June 30, 2024.



The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

**Estimated Future Benefit Payments**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

2024	\$ 1,785,000
2025	1,778,000
2026	1,749,000
2027	1,702,000
2028	1,684,000
2029 to 2033	8,124,000

**Plan Assets**

Asset management objectives include maintaining an adequate level of diversification to reduce interest rate and market risk while also providing adequate liquidity to meet benefit payment requirements.

The Diocese's long-term investment objective is to achieve the actuarial target return, maintain sufficient liquidity to meet the obligations of the plan, diversify the investments to reduce risk, and achieve investment results over the long term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate benchmark indices. Consistent with this long-term objective, the composition of plan investments is managed within a range that targets the following allocations by asset type:

	Minimum	Target	Maximum
Asset class:			
Equities	45%	70%	80%
Fixed income	14	30	50
Cash equivalents	-	-	20

The Diocese's Investment Committee regularly reviews the plan assumptions, asset allocation and performance of the investments in the Priest Plan.

The expected rate of return on pension plan assets is determined by those assets' historical long-term investment performance, current asset allocation and estimates of future long-term returns by asset class.

As of June 30, 2023 and 2022, the Diocese's Priest Plan assets that are classified as Level 1 within the fair value hierarchy consist of the following:

	2023	2022
Cash equivalents	\$ 5,340	\$ 2,500
Equity mutual funds	12,307,944	11,535,151
Bond mutual funds	5,021,807	5,098,983
Total	\$ 17,335,091	\$ 16,636,634

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

The Diocese's pension plan weighted-average asset allocations at June 30, by asset category are as follows:

	2023	2022
Equity mutual funds	71.00%	69.34%
Bond mutual funds	28.97	30.64
Cash equivalents	0.03	0.02
Total	100.00%	100.00%

**NOTE 17 - DEFINED CONTRIBUTION PLANS**

The Diocese maintains a defined contribution 401(a) thrift plan covering all lay employees of the Diocese and other Diocesan entities working at least 30 hours per week who meet the eligibility requirements of one year of service and 21 years of age. Contributions are based on years of service to Diocesan entities at rates of 3% and 5% after the one-year eligibility period. The Diocese's contributions totaled approximately \$353,000 and \$316,000 for the years ended June 30, 2023 and 2022, respectively.

The Diocese also provides for a non-contributory 403(b) salary reduction plan for all employees who wish to participate. The Diocese does not make employer contributions to the 403(b) plan.

**NOTE 18 - POSTRETIREMENT PRIESTS' MEDICAL AND DENTAL PLAN**

The Diocese provides a postretirement medical and dental benefits plan for retired priests on an unfunded basis through insurance purchased annually from a third party. The following provides further information about the priests' postretirement medical and dental plan.

The following table provides a reconciliation of the changes in the priests' postretirement medical and dental funded status to the benefit obligation recorded in the consolidated statements of financial position at June 30:

	2023	2022
Change in projected benefit obligation:		
Accumulated benefit obligation at beginning of year	\$ 8,231,616	\$ 10,136,725
Service cost	253,998	389,265
Interest cost	357,716	277,013
Actuarial gain	(1,771,156)	(2,277,637)
Benefits paid	(288,538)	(293,750)
Accumulated benefit obligation at end of year	\$ 6,783,636	\$ 8,231,616

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

Cumulative amounts recognized in changes in unrestricted net assets and not yet recognized in net periodic benefit cost consist of the following as of June 30:

	2023	2022
Net gain	\$ (6,853,162)	\$ (5,309,508)
Transition obligation	195,000	390,000
Prior service cost	1,402,478	1,537,216
	\$ (5,255,684)	\$ (3,382,292)

Net periodic benefit cost for the priest postretirement medical and dental plan includes the following components during the years ended June 30:

	2023	2022
Service cost	\$ 253,998	\$ 389,265
Interest cost	357,716	277,013
Amortization of actuarial (gain)	(227,502)	(110,224)
Amortization of transition obligation	195,000	195,000
Amortization of prior service cost	134,738	134,738
Net periodic benefit cost	\$ 713,950	\$ 885,792

Amounts recognized in changes in unrestricted net assets consist of the following for the years ended June 30:

	2023	2022
Actuarial gain	\$ (1,771,156)	\$ (2,277,637)
Amortization of actuarial gain	227,502	110,224
Amortization of transition obligation	(195,000)	(195,000)
Amortization of prior service cost	(134,738)	(134,738)
Pension-related activity other than net periodic benefit cost	\$ (1,873,392)	\$ (2,497,151)

The estimated net loss, transition obligation and prior service cost for the Diocese's priests' postretirement medical and dental plan that will be amortized into net periodic benefit cost over the next fiscal year are \$227,502, \$195,000 and \$134,738.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

**Assumptions**

Weighted-average assumptions used to determine the benefit obligation are as follows at June 30:

	2023	2022
Discount rate	4.91%	4.44%
Health-care cost trend rate assumed for next year	7.00	7.00
Ultimate health-care cost trend rate	5.00	5.00
Year ultimate health-care cost trend rate is achieved	2027	2026

Weighted-average assumptions used to determine net periodic benefit cost are as follows for the years ended June 30:

	2023	2022
Discount rate	4.44%	2.78%
Health-care cost trend rate assumed for next year	7.00	7.00
Ultimate health-care cost trend rate	5.00	5.00

The effect of a 1% change in the health care cost trend rate is as follows as of and for the years ended June 30:

	2023	
	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 147,939	\$ (110,941)
Effect on accumulated benefit obligation	1,332,869	(1,040,408)

  

	2022	
	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 206,039	\$ (147,026)
Effect on accumulated benefit obligation	1,623,864	(1,266,991)

**Estimated Future Benefit Payments**

The following benefit payments, which reflect future service, as appropriate, are expected to be paid as follows:

2024	\$ 305,001
2025	306,443
2026	310,352
2027	309,702
2028	326,916
2029 to 2032	1,618,391

**Contributions**

Because the priests' postretirement medical and dental plan is unfunded, the future benefit payments also represent the expected contributions to the plan for that year.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

**NOTE 19 - LEASES**

The Diocese leases office and other equipment under operating leases that expire at various dates through the year ending June 30 2028. The operating lease costs are reflected on the consolidated statements of functional expenses within office expense.

Supplemental cash flow information related to leases for the year ended June 30, is as follows:

	2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 65,866
Supplemental disclosure of noncash leasing activities:	
ROU obtained in exchange for new operating lease liabilities	\$ 23,284

The following table represents the weighted-average remaining lease term and discount rate as of June 30, 2023:

Weighted-average remaining lease term (expressed in years)	3.90
Weighted-average discount rate	2.92%

Future undiscounted lease payments for the Diocese's operating lease liabilities are as follows as of June 30, 2023:

Years Ending June 30:

2024	\$ 63,734
2025	54,395
2026	36,835
2027	7,360
2028	4,100
Total minimum lease payments	166,424
Less: imputed interest	(6,854)
Present value of future minimum lease payments	\$ 159,570

**NOTE 20 - CONTINGENCIES**

The Diocese, in the normal course of its operations, is a party to various legal proceedings and complaints, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of the Diocese is not aware of any claims or contingencies which are not covered by insurance that would have a material adverse effect on the Diocese's consolidated financial statements.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2023 and 2022**

The Diocese has unconditionally guaranteed, in the event of default, loans from banks to other Diocesan entities principally related to the construction of facilities. At June 30, 2023 and 2022, the aggregate balances outstanding on these loans, which the Diocese has guaranteed, approximated \$888,000 and \$971,000, respectively. Management is currently not aware of any defaults or circumstances that would require the Diocese to perform under such guarantees and as such, no loss provision has been recognized as of June 30, 2023 and 2022.

**NOTE 21 - SUBSEQUENT EVENTS**

The Diocese evaluated its June 30, 2023 consolidated financial statements for subsequent events through December 22, 2023, the date the consolidated financial statements were available to be issued. The Diocese is not aware of any material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements except as follows.

During July 2023, the Diocese sold a property in Trumbull, Ct for \$650,000, resulting in a gain of \$605,891. The net book value of the property was classified within properties held for sale as of June 30, 2023.

SUPPLEMENTAL INFORMATION

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2023

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Elderly Housing and Diocese LLC Properties Operations	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,905,778	\$ 1,619,292	\$ 655,580	\$ 1,279,013	\$ -	\$ 11,459,663
Restricted cash	641,300	-	-	-	-	641,300
Property held for sale	183,742	-	-	-	-	183,742
Cemeteries and other accounts receivable, net	553,562	-	1,794,736	50,344	(10,000)	2,388,642
Due from related Diocesan entities, net	1,390,290	291,320	-	11,344	(51,625)	1,641,329
Prepaid expenses and other assets	680,880	108,970	17,187	83,131	-	890,168
Contributions receivable, net	2,346,830	-	-	-	-	2,346,830
Insurance recoveries receivable	21,694	653,528	-	-	-	675,222
Notes receivable, net	12,641,325	135,927	-	-	-	12,777,252
Investments, at fair value	17,666,638	5,601,281	12,252,255	3,246,539	-	38,766,713
Cemetery inventory	-	-	5,310,998	-	-	5,310,998
Beneficial interest in trust held by others	441,527	-	-	-	-	441,527
Beneficial interests in assets held by Foundations in Faith, Inc.	11,048,447	-	-	-	-	11,048,447
Property, buildings and equipment, net	22,390,709	-	11,357,170	205,616	-	33,953,495
Operating lease right of use assets	140,926	-	7,301	11,343	-	159,570
Due from funds	22,225,407	6,347,848	-	-	(28,573,255)	-
Total assets	<u>\$ 100,279,055</u>	<u>\$ 14,758,166</u>	<u>\$ 31,395,227</u>	<u>\$ 4,887,330</u>	<u>\$ (28,634,880)</u>	<u>\$ 122,684,898</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 1,624,052	\$ 178,875	\$ 733,539	\$ 45,843	\$ (43,180)	\$ 2,539,129
Special collections payable	884,793	-	-	-	-	884,793
Self-insurance claims, medical premiums and other amounts payable	-	3,457,029	-	-	-	3,457,029
Deferred revenue and refundable advances	631,807	450	759,385	150,916	-	1,542,558
Deferred revenue - ground lease	985,739	-	-	-	-	985,739
Deferred revenue - life use fees	-	-	-	717,661	-	717,661
Due to related Diocesan entities	1,113,495	-	-	214,544	(21,344)	1,306,695
Note payable	-	-	4,083,211	-	-	4,083,211
Operating lease obligations	140,926	-	7,301	11,343	-	159,570
Conditional asset retirement obligations	5,893,458	-	-	436,693	-	6,330,151
Priest pension and other postretirement benefit obligations, net	-	11,227,989	-	-	-	11,227,989
Due to funds	2,666,039	25,904,317	-	-	(28,570,356)	-
Total liabilities	<u>13,940,309</u>	<u>40,768,660</u>	<u>5,583,436</u>	<u>1,577,000</u>	<u>(28,634,880)</u>	<u>33,234,525</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	70,538,551	(26,010,494)	25,811,791	3,310,330	-	73,650,178
With donor restrictions	15,800,195	-	-	-	-	15,800,195
Total net assets (deficit)	<u>86,338,746</u>	<u>(26,010,494)</u>	<u>25,811,791</u>	<u>3,310,330</u>	<u>-</u>	<u>89,450,373</u>
Total liabilities and net assets (deficit)	<u>\$ 100,279,055</u>	<u>\$ 14,758,166</u>	<u>\$ 31,395,227</u>	<u>\$ 4,887,330</u>	<u>\$ (28,634,880)</u>	<u>\$ 122,684,898</u>

This consolidating schedule should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.



The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2022

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Elderly Housing and Diocese LLC Properties Operations	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 27,688,844	\$ 4,227,473	\$ 1,183,514	\$ 4,248,863	\$ -	\$ 37,348,694
Restricted cash	415,694	-	-	-	-	415,694
Property held for sale	183,742	-	-	-	-	183,742
Cemeteries and other accounts receivable, net	470,079	-	3,079,982	53,290	(10,000)	3,593,351
Due from related Diocesan entities, net	812,158	638,458	-	646	(257,442)	1,193,820
Prepaid expenses and other assets	259,488	54,506	35,920	-	-	349,914
Contributions receivable, net	2,513,662	-	-	-	-	2,513,662
Insurance recoveries receivable	-	599,684	-	-	(246,810)	352,874
Notes receivable, net	11,841,899	-	-	-	-	11,841,899
Investments, at fair value	847,520	1,429,508	8,921,046	-	-	11,198,074
Cemetery inventory	-	-	5,521,706	-	-	5,521,706
Beneficial interest in trust held by others	431,983	-	-	-	-	431,983
Beneficial interests in assets held by Foundations in Faith, Inc.	10,380,036	-	-	-	-	10,380,036
Property, buildings and equipment, net	22,993,191	-	9,374,292	193,184	-	32,560,667
Due from funds	21,060,557	6,096,467	-	-	(27,157,024)	-
Total assets	<u>\$ 99,898,853</u>	<u>\$ 13,046,096</u>	<u>\$ 28,116,460</u>	<u>\$ 4,495,983</u>	<u>\$ (27,671,276)</u>	<u>\$ 117,886,116</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 3,037,785	\$ 707,689	\$ 1,855,701	\$ 38,327	\$ (503,605)	\$ 5,135,897
Special collections payable	415,694	-	-	-	-	415,694
Self-insurance claims and deductible amounts payable	-	4,153,645	-	-	-	4,153,645
Deferred revenue and refundable advances	238,044	769,791	2,695,689	56,940	-	3,760,464
Deferred revenue - ground lease	1,014,299	-	-	-	-	1,014,299
Deferred revenue - life use fees	-	-	-	1,053,393	-	1,053,393
Due to related Diocesan entities	706,506	-	-	171,848	(10,647)	867,707
Note payable	-	-	509,000	-	-	509,000
Conditional asset retirement obligations	5,659,057	-	-	411,005	-	6,070,062
Priest pension and other postretirement benefit obligations, net	-	14,958,606	-	-	-	14,958,606
Due to funds	2,416,040	24,740,984	-	-	(27,157,024)	-
Total liabilities	<u>13,487,425</u>	<u>45,330,715</u>	<u>5,060,390</u>	<u>1,731,513</u>	<u>(27,671,276)</u>	<u>37,938,767</u>
<b>Net assets (deficit)</b>						
Without donor restrictions	70,660,658	(32,284,619)	23,056,070	2,764,470	-	64,196,579
With donor restrictions	15,750,770	-	-	-	-	15,750,770
Total net assets (deficit)	<u>86,411,428</u>	<u>(32,284,619)</u>	<u>23,056,070</u>	<u>2,764,470</u>	<u>-</u>	<u>79,947,349</u>
Total liabilities and net assets (deficit)	<u>\$ 99,898,853</u>	<u>\$ 13,046,096</u>	<u>\$ 28,116,460</u>	<u>\$ 4,495,983</u>	<u>\$ (27,671,276)</u>	<u>\$ 117,886,116</u>

This consolidating schedule should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended June 30, 2023

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Elderly Housing and Diocese LLC Properties Operations	Eliminations	Total
<b>Revenues, support and other changes</b>						
Annual Bishop's Appeal	\$ 8,748,123	\$ -	\$ -	\$ -	\$ -	\$ 8,748,123
Contributions and bequests	4,109,407	-	-	-	-	4,109,407
Cathedraticum from parishes	6,201,875	-	-	-	-	6,201,875
Employee benefit and insurance programs	-	23,000,811	-	-	(3,166,176)	19,834,635
Cemeteries operations	1,400,000	-	13,808,130	-	(1,400,000)	13,808,130
Interest income	771,216	-	-	-	-	771,216
Elderly housing and other rental income	565,110	-	63,833	1,455,998	(48,769)	2,036,172
Professional services	1,003,678	-	-	-	(389,209)	614,469
Advertising	247,724	-	-	-	-	247,724
Other operating revenues	376,514	-	-	39,252	(96,600)	319,166
<b>Total revenues, support and other changes</b>	<b>23,423,647</b>	<b>23,000,811</b>	<b>13,871,963</b>	<b>1,495,250</b>	<b>(5,100,754)</b>	<b>56,690,917</b>
<b>Expenses</b>						
Programs	15,406,060	-	-	-	(1,482,312)	13,923,748
Employee benefits and insurance	-	21,356,237	-	-	(280,079)	21,076,158
Cemeteries operations	-	-	9,486,637	-	(2,115,893)	7,370,744
Elderly housing and Diocesan LLC properties operations	-	-	-	901,612	(140,453)	761,159
Management and general	5,791,508	-	1,852,462	-	(966,800)	6,677,170
Stewardship and development	1,161,994	-	-	-	(115,217)	1,046,777
<b>Total expenses</b>	<b>22,359,562</b>	<b>21,356,237</b>	<b>11,339,099</b>	<b>901,612</b>	<b>(5,100,754)</b>	<b>50,855,756</b>
Income from operations before depreciation and accretion	1,064,085	1,644,574	2,532,864	593,638	-	5,835,161
Depreciation and accretion	(1,103,148)	-	(386,008)	(47,778)	-	(1,536,934)
Income from operations before nonoperating activities	(39,063)	1,644,574	2,146,856	545,860	-	4,298,227
<b>Nonoperating activities</b>						
Gain on sale of assets	494,545	-	-	-	-	494,545
Priest pension related-activity other than service cost	-	4,367,795	-	-	-	4,367,795
Change in value of beneficial interest in Foundations in Faith and a third-party trust	677,955	-	-	-	-	677,955
Investment income, net	7,839	109,449	1,113,802	-	-	1,231,090
Contributions - nonoperating	645,379	-	-	-	-	645,379
Bad debt recoveries, net	173,829	168,208	87,913	-	-	429,950
Contributions to lay pension	(300,000)	-	(500,000)	-	-	(800,000)
Change in discount on notes receivable	191,702	(15,901)	-	-	-	175,801
Support to Diocesan entities - capital projects and other	(1,843,664)	-	(100,000)	-	-	(1,943,664)
Miscellaneous non-operating income (expenses)	(81,204)	-	7,150	-	-	(74,054)
<b>CHANGE IN NET ASSETS</b>	<b>(72,682)</b>	<b>6,274,125</b>	<b>2,755,721</b>	<b>545,860</b>	<b>-</b>	<b>9,503,024</b>
<b>Net assets (deficit) - beginning of year</b>	<b>86,411,428</b>	<b>(32,284,619)</b>	<b>23,056,070</b>	<b>2,764,470</b>	<b>-</b>	<b>79,947,349</b>
<b>Net assets (deficit) - end of year</b>	<b>\$ 86,338,746</b>	<b>\$ (26,010,494)</b>	<b>\$ 25,811,791</b>	<b>\$ 3,310,330</b>	<b>\$ -</b>	<b>\$ 89,450,373</b>

This consolidating schedule should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended June 30, 2022

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Elderly Housing and Diocese LLC Properties Operations	Eliminations	Total
<b>Revenues, support and other changes</b>						
Annual Bishop's Appeal	\$ 9,731,750	\$ -	\$ -	\$ -	\$ -	\$ 9,731,750
Contributions and bequests	5,543,660	-	-	-	-	5,543,660
Cathedraticum from parishes	6,229,736	-	-	-	-	6,229,736
Employee benefit and insurance programs	-	20,789,517	-	-	(2,956,285)	17,833,232
Cemeteries operations	1,437,000	-	10,057,080	-	(1,437,000)	10,057,080
Elderly housing and other rental income	666,458	-	55,100	1,591,809	-	2,313,367
Professional services	903,771	-	-	-	(318,090)	585,681
Advertising	239,230	-	-	-	-	239,230
Other operating revenues	346,156	-	-	124,044	(77,000)	393,200
<b>Total revenues, support and other changes</b>	<b>25,097,761</b>	<b>20,789,517</b>	<b>10,112,180</b>	<b>1,715,853</b>	<b>(4,788,375)</b>	<b>52,926,936</b>
<b>Expenses</b>						
Programs	13,876,711	-	-	-	(1,331,500)	12,545,211
Employee benefits and insurance	-	22,053,720	-	-	(234,290)	21,819,430
Cemeteries operations	-	-	7,675,864	-	(2,064,588)	5,611,276
Elderly housing and Diocesan LLC properties operations	-	-	-	743,319	(133,693)	609,626
Management and general	5,524,720	-	1,463,003	-	(893,315)	6,094,408
Stewardship and development	1,173,792	-	-	-	(130,989)	1,042,803
<b>Total expenses</b>	<b>20,575,223</b>	<b>22,053,720</b>	<b>9,138,867</b>	<b>743,319</b>	<b>(4,788,375)</b>	<b>47,722,754</b>
Income from operations before depreciation and accretion	4,522,538	(1,264,203)	973,313	972,534	-	5,204,182
Depreciation and accretion	(1,183,446)	-	(281,127)	(47,413)	-	(1,511,986)
Income from operations before nonoperating activities	3,339,092	(1,264,203)	692,186	925,121	-	3,692,196
<b>Nonoperating activities</b>						
Gain (loss) on sale of assets	(12,682)	-	-	279,250	-	266,568
Priest pension related-activity other than net periodic benefit cost	-	(756,577)	-	-	-	(756,577)
Change in value of beneficial interest in Foundations in Faith and third-party trust	(2,849,025)	-	-	-	-	(2,849,025)
Investment loss, net	(71,028)	(159,960)	(1,677,694)	-	-	(1,908,682)
PPP loan forgiveness	2,080,594	-	533,039	28,567	-	2,642,200
Bad debt (expense) and recoveries, net	1,079,895	237,123	(82,445)	-	-	1,234,573
Contributions to lay pension	(350,000)	-	(250,000)	-	-	(600,000)
Change in discount on notes receivable	178,233	-	-	-	-	178,233
Support to Diocesan entities- capital projects and other	(2,024,674)	-	-	-	-	(2,024,674)
Miscellaneous non-operating income (expenses)	1,286,766	6,460	38,807	(1,709,775)	-	(377,742)
<b>CHANGE IN NET ASSETS</b>	<b>2,657,171</b>	<b>(1,937,157)</b>	<b>(746,107)</b>	<b>(476,837)</b>	<b>-</b>	<b>(502,930)</b>
<b>Net assets (deficit) - beginning of year</b>	<b>83,754,257</b>	<b>(30,347,462)</b>	<b>23,802,177</b>	<b>3,241,307</b>	<b>-</b>	<b>80,450,279</b>
<b>Net assets (deficit) - end of year</b>	<b>\$ 86,411,428</b>	<b>\$ (32,284,619)</b>	<b>\$ 23,056,070</b>	<b>\$ 2,764,470</b>	<b>\$ -</b>	<b>\$ 79,947,349</b>

This consolidating schedule should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.

The Bridgeport Roman Catholic Diocesan Corporation and Affiliates

CONSOLIDATING SCHEDULES OF MANAGEMENT AND GENERAL EXPENSES

Years ended June 30,

	2023			2022		
	Diocesan Operations	Cemetery Operations	Total	Diocesan Operations	Cemetery Operations	Total
Personnel costs - lay	\$ 3,141,156	\$ 1,022,913	\$ 4,164,069	\$ 2,947,786	\$ 885,570	\$ 3,833,356
Personnel costs - religious	32,298	-	32,298	37,464	-	37,464
Total personnel costs	3,173,454	1,022,913	4,196,367	2,985,250	885,570	3,870,820
Insurance	44,180	-	44,180	45,152	1,472	46,624
Professional fees	582,532	312,685	895,217	399,132	181,635	580,767
Occupancy	720,664	20,442	741,106	854,964	83,604	938,568
Operations	-	59,891	59,891	-	-	-
Office	433,515	47,381	480,896	445,290	86,874	532,164
Dues, fees and memberships	52,321	2,783	55,104	65,767	1,855	67,622
Printing	265	-	265	1,324	-	1,324
Travel and seminars	49,502	7,436	56,938	21,107	10,642	31,749
Interest	-	109,210	109,210	-	-	-
Miscellaneous	11,723	6,623	18,346	5,244	8,082	13,326
Postage	1,982	17,668	19,650	-	11,444	11,444
Total expenses before depreciation and accretion	5,070,138	1,607,032	6,677,170	4,823,230	1,271,178	6,094,408
Depreciation and accretion	373,497	10,577	384,074	405,814	-	405,814
Total expenses	\$ 5,443,635	\$ 1,617,609	\$ 7,061,244	\$ 5,229,044	\$ 1,271,178	\$ 6,500,222

These consolidating schedules should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**  
**CONSOLIDATING SCHEDULE OF PROGRAM FUNCTIONAL EXPENSES**  
Year ended June 30, 2023

	<b>Pastoral Services of the Bishop*</b>	<b>Religious Personnel Services (includes Queen of Clergy)</b>	<b>Catholic Education and Faith Formation</b>	<b>Pastoral and Human Services</b>	<b>Vocations</b>	<b>Communications and Social Media</b>	<b>Other Program Support</b>	<b>Total Programs</b>
Personnel costs - lay	\$ 860,939	\$ 941,250	\$ 1,107,188	\$ 196,132	\$ 3,837	\$ 288,424	\$ -	\$ 3,397,770
Personnel costs - religious	102,158	356,049	-	990,176	1,272,667	-	-	2,721,050
Total personnel costs	963,097	1,297,299	1,107,188	1,186,308	1,276,504	288,424	-	6,118,820
Insurance	3,215	56,795	4,489	11,638	4,192	-	-	80,329
Grants and contributions	-	-	-	-	-	-	5,065,668	5,065,668
Professional fees	45,920	7,799	251,711	126,632	10,493	190,837	-	633,392
Occupancy	88,050	408,931	45,069	8,533	228	-	-	550,811
Office	15,072	4,159	14,900	2,718	276	3,076	-	40,201
Dues, fees and memberships	427,968	2,527	54,800	15,349	5,575	420	-	506,639
Printing	12,792	2,803	9,444	159	4,297	230,741	-	260,236
Travel and seminars	233,831	30,606	120,349	5,115	33,052	939	-	423,892
Miscellaneous	35,149	13,646	1,961	8,043	4,298	73	-	63,170
Postage	3,957	1,243	1,380	251	1,185	172,574	-	180,590
Total expenses before depreciation and accretion	1,829,051	1,825,808	1,611,291	1,364,746	1,340,100	887,084	5,065,668	13,923,748
Depreciation and accretion	134,739	134,500	118,697	100,535	98,720	65,348	-	652,539
Total expenses	<u>\$ 1,963,790</u>	<u>\$ 1,960,308</u>	<u>\$ 1,729,988</u>	<u>\$ 1,465,281</u>	<u>\$ 1,438,820</u>	<u>\$ 952,432</u>	<u>\$ 5,065,668</u>	<u>\$ 14,576,287</u>

\* Includes the Offices of the Bishop, Vicar General, Chancellor, Strategic and Pastoral Planning, Tribunal and Safe Environment.

This consolidating schedule should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.

**The Bridgeport Roman Catholic Diocesan Corporation and Affiliates**  
**CONSOLIDATING SCHEDULE OF PROGRAM FUNCTIONAL EXPENSES**  
Year ended June 30, 2022

	<b>Pastoral Services of the Bishop*</b>	<b>Religious Personnel Services (includes Queen of Clergy)</b>	<b>Catholic Education and Faith Formation</b>	<b>Pastoral and Human Services</b>	<b>Vocations</b>	<b>Communications and Social Media</b>	<b>Other Program Support</b>	<b>Total Programs</b>
Personnel costs - lay	\$ 685,631	\$ 921,043	\$ 1,082,431	\$ 193,658	\$ 5,442	\$ 354,373	\$ -	\$ 3,242,578
Personnel costs - religious	255,390	377,177	29,350	847,568	957,757	-	-	2,467,242
Total personnel costs	941,021	1,298,220	1,111,781	1,041,226	963,199	354,373	-	5,709,820
Insurance	2,317	36,582	2,761	4,086	1,765	-	-	47,511
Grants and contributions	-	-	-	-	-	-	4,345,591	4,345,591
Professional fees	22,276	9,087	213,272	87,465	11,659	161,100	-	504,859
Occupancy	67,452	427,715	44,338	8,044	252	1,622	-	549,423
Office	9,086	6,053	7,964	10,879	205	3,768	-	37,955
Dues, fees and memberships	426,660	7,672	54,780	17,729	2,479	5,646	-	514,966
Printing	22,990	445	7,299	-	2,428	220,056	-	253,218
Travel and seminars	184,393	37,033	117,056	3,616	31,429	251	-	373,778
Miscellaneous	11,844	11,863	422	3,654	4,988	-	-	32,771
Postage	5,318	1,391	1,179	486	1,381	165,564	-	175,319
Total expenses before depreciation and accretion	1,693,357	1,836,061	1,560,852	1,177,185	1,019,785	912,380	4,345,591	12,545,211
Depreciation and accretion	142,474	154,481	131,326	99,045	85,802	76,765	-	689,893
Total expenses	<u>\$ 1,835,831</u>	<u>\$ 1,990,542</u>	<u>\$ 1,692,178</u>	<u>\$ 1,276,230</u>	<u>\$ 1,105,587</u>	<u>\$ 989,145</u>	<u>\$ 4,345,591</u>	<u>\$ 13,235,104</u>

\* Includes the Offices of the Bishop, Vicar General, Chancellor, Strategic and Pastoral Planning, Tribunal and Safe Environment.

This consolidating schedule should be read in conjunction with the accompanying report of independent certified public accountants and consolidated financial statements and notes thereto.