

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

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

June 30, 2020 and 2019

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GRANT THORNTON LLP

300 First Stamford Place, Suite 551
Stamford, CT 06902

D +1 203 327 8300

F +1 203 327 8333

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of The Bridgeport Roman Catholic Diocesan Corporation and Affiliate (collectively, the "Diocese"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Diocese's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Bridgeport Roman Catholic Diocesan Corporation and Affiliate as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2020 and 2019 and the consolidating schedules of activities and consolidating schedules of program functional expenses for the years ended June 30, 2020 and 2019 are presented for purposes of additional analysis and are 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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Stamford, Connecticut
December 22, 2020

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 25,181,538	\$ 19,736,310
Restricted cash	194,073	258,775
Property held for sale	7,336,612	25,125
Cemeteries and other accounts receivable, net	1,499,287	1,521,194
Bequest receivable	350,000	52,302
Due from related Diocesan entities, net	3,565,023	6,242,391
Prepaid expenses and other assets	459,713	576,391
Contributions receivable, net	1,259,618	3,958,678
Insurance recoveries receivable	274,891	321,247
Notes receivable, net	1,749,681	1,749,681
Investments, at fair value	9,308,266	7,165,837
Cemetery inventory	2,163,085	2,328,994
Beneficial interest in trust held by others	439,435	459,339
Beneficial interest in assets held by Foundations in Faith, Inc.	10,027,420	10,028,587
Property, buildings and equipment, net	33,928,296	42,143,536
Total assets	\$ 97,736,938	\$ 96,568,387
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,128,325	\$ 2,686,912
Special collections payable	194,073	258,775
Self-insurance claims and deductible amounts payable	4,418,835	3,905,178
Deferred revenue	1,768,743	1,261,198
Refundable advances	968,598	578,915
Due to related Diocesan entities	812,943	2,867,420
Notes payable	6,142,200	3,500,000
Deferred revenue - life use fees	1,692,204	2,042,486
Conditional asset retirement obligations	5,702,387	5,392,210
Pension and other postretirement benefit assets	17,581,245	17,223,618
Pension and other postretirement benefit obligations	(36,930,838)	(38,662,759)
Net pension and other postretirement benefit obligations	19,349,593	21,439,141
Total liabilities	43,177,901	43,932,235
Contingencies		
NET ASSETS		
Without donor restrictions	41,492,873	36,599,624
With donor restrictions	13,066,164	16,036,528
Total net assets	54,559,037	52,636,152
Total liabilities and net assets	\$ 97,736,938	\$ 96,568,387

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

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
REVENUES, SUPPORT AND OTHER CHANGES			
Annual Catholic Appeal	\$ 6,703,352	\$ 787,612	\$ 7,490,964
Contributions and bequests	2,232,955	65,192	2,298,147
Cathedraticum from parishes	6,587,993	-	6,587,993
Employee benefit and insurance programs	17,485,323	-	17,485,323
Cemeteries operations	8,106,767	-	8,106,767
Rental income	1,949,985	-	1,949,985
Reimbursement revenue	290,001	-	290,001
Advertising	240,374	-	240,374
Program fees	128,784	8,500	137,284
Other operating revenues	849,321	-	849,321
Net assets released from restrictions	3,157,813	(3,157,813)	-
Total revenues, support and other changes	<u>47,732,668</u>	<u>(2,296,509)</u>	<u>45,436,159</u>
EXPENSES			
Programs	12,335,692	-	12,335,692
Employee benefits and insurance	20,363,193	-	20,363,193
Cemeteries operations	4,584,930	-	4,584,930
Teresian Towers and Carmel Ridge Estates	507,567	-	507,567
Management and general	5,021,077	-	5,021,077
Stewardship and development	887,320	-	887,320
Total expenses	<u>43,699,779</u>	<u>-</u>	<u>43,699,779</u>
Income (loss) from operations before depreciation and accretion	4,032,889	(2,296,509)	1,736,380
Depreciation and accretion	(1,900,240)	-	(1,900,240)
Income (loss) from operations before nonoperating activities	<u>2,132,649</u>	<u>(2,296,509)</u>	<u>(163,860)</u>
NONOPERATING ACTIVITIES			
Pension-related activity other than net periodic benefit cost	3,197,446	-	3,197,446
Change in value of beneficial interest in Foundations in Faith and third-party trust	-	(21,071)	(21,071)
Net assets released from restrictions	734,513	(734,513)	-
Investment income, net	308,211	11,167	319,378
Bad debt (expense) and recoveries, net	256,468	60,000	316,468
Support to Diocesan schools	(756,499)	-	(756,499)
Contributions from dissolved related entities	157,122	-	157,122
Independent accountability report	(484,569)	-	(484,569)
Miscellaneous non-operating income	27,697	10,562	38,259
Miscellaneous non-operating expenses	(679,789)	-	(679,789)
Change in net assets	<u>4,893,249</u>	<u>(2,970,364)</u>	<u>1,922,885</u>
Net assets - beginning of year	<u>36,599,624</u>	<u>16,036,528</u>	<u>52,636,152</u>
Net assets - end of year	<u>\$ 41,492,873</u>	<u>\$ 13,066,164</u>	<u>\$ 54,559,037</u>

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

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, SUPPORT AND OTHER CHANGES			
Annual Catholic Appeal	\$ 7,494,713	\$ 2,523,086	\$ 10,017,799
Contributions and bequests	1,838,810	520,513	2,359,323
Cathedraticum from parishes	6,854,443	-	6,854,443
Employee benefit and insurance programs	15,298,764	-	15,298,764
Cemeteries operations	6,306,809	-	6,306,809
Rental income	1,770,978	-	1,770,978
Reimbursement revenue	334,032	-	334,032
Advertising	331,576	-	331,576
Program fees	177,159	-	177,159
Other operating revenues	729,215	-	729,215
Net assets released from restrictions	3,924,390	(3,924,390)	-
Total revenues, support and other changes	<u>45,060,889</u>	<u>(880,791)</u>	<u>44,180,098</u>
EXPENSES			
Programs	13,488,290	-	13,488,290
Employee benefits and insurance	17,461,639	-	17,461,639
Cemeteries operations	4,070,868	-	4,070,868
Teresian Towers and Carmel Ridge Estates	509,237	-	509,237
Management and general	4,889,537	-	4,889,537
Stewardship and development	575,551	-	575,551
Total expenses	<u>40,995,122</u>	<u>-</u>	<u>40,995,122</u>
Income (loss) from operations before depreciation and accretion	4,065,767	(880,791)	3,184,976
Depreciation and accretion	(1,789,593)	-	(1,789,593)
Income (loss) from operations before nonoperating activities	<u>2,276,174</u>	<u>(880,791)</u>	<u>1,395,383</u>
NONOPERATING ACTIVITIES			
Pension-related activity other than net periodic benefit cost	(2,891,546)	-	(2,891,546)
Change in value of beneficial interest in Foundations in Faith and third-party trust	-	(948)	(948)
Gain on sale of assets	1,479,613	-	1,479,613
Net assets released from restrictions	686,406	(686,406)	-
Investment income, net	426,296	9,821	436,117
Income from estimate change related to CARO	1,199,387	-	1,199,387
Insurance proceeds	35,573	-	35,573
Bad debt (expense) and recoveries, net	72,151	(50,405)	21,746
Support to Diocesan schools	(636,452)	-	(636,452)
Contributions from dissolved related entities	1,390,186	-	1,390,186
Independent accountability report	(701,680)	-	(701,680)
Miscellaneous non-operating income	326,410	-	326,410
Miscellaneous non-operating expenses	(297,594)	-	(297,594)
Change in net assets	<u>3,364,924</u>	<u>(1,608,729)</u>	<u>1,756,195</u>
Net assets - beginning of year	<u>33,234,700</u>	<u>17,645,257</u>	<u>50,879,957</u>
Net assets - end of year	<u>\$ 36,599,624</u>	<u>\$ 16,036,528</u>	<u>\$ 52,636,152</u>

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

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020

	<u>Programs</u>	<u>Employee Benefits and Insurance</u>	<u>Cemeteries Operations</u>	<u>Teresian Towers and Carmel Ridge Estates</u>	<u>Management and General</u>	<u>Stewardship and Development</u>	<u>Total</u>
Personnel costs - lay	\$ 3,371,744	\$ -	\$ 2,221,619	\$ -	\$ 2,986,198	\$ 313,866	\$ 8,893,427
Personnel costs - religious	1,988,092	-	-	-	35,103	-	2,023,195
Total personnel costs	5,359,836	-	2,221,619	-	3,021,301	313,866	10,916,622
Insurance	74,500	19,981,187	-	-	40,272	-	20,095,959
Grants and contributions	4,655,831	-	-	-	-	-	4,655,831
Professional fees	517,883	374,702	447,812	-	613,519	87,257	2,041,173
Occupancy	591,391	-	303,509	-	703,307	1,293	1,599,500
Operations	-	-	1,390,502	507,567	-	-	1,898,069
Office	28,420	7,304	53,765	-	365,983	119,165	574,637
Dues, fees and memberships	514,903	-	2,057	-	48,553	848	566,361
Printing	228,172	-	-	-	1,514	220,760	450,446
Travel and seminars	157,990	-	22,224	-	24,311	1,641	206,166
Interest	-	-	-	-	147,146	-	147,146
Miscellaneous	57,854	-	97,683	-	47,919	207	203,663
Postage	148,912	-	45,759	-	7,252	142,283	344,206
Total expenses before depreciation and accretion	12,335,692	20,363,193	4,584,930	507,567	5,021,077	887,320	43,699,779
Depreciation and accretion	759,533	-	241,450	314,921	496,581	87,755	1,900,240
Total expenses	<u>\$ 13,095,225</u>	<u>\$ 20,363,193</u>	<u>\$ 4,826,380</u>	<u>\$ 822,488</u>	<u>\$ 5,517,658</u>	<u>\$ 975,075</u>	<u>\$ 45,600,019</u>

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

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019

	<u>Programs</u>	<u>Employee Benefits and Insurance</u>	<u>Cemeteries Operations</u>	<u>Teresian Towers and Carmel Ridge Estates</u>	<u>Management and General</u>	<u>Stewardship and Development</u>	<u>Total</u>
Personnel costs - lay	\$ 3,215,915	\$ -	\$ 1,959,173	\$ -	\$ 3,152,864	\$ 222,767	\$ 8,550,719
Personnel costs - religious	2,139,186	-	-	-	39,000	-	2,178,186
Total personnel costs	5,355,101	-	1,959,173	-	3,191,864	222,767	10,728,905
Insurance	151,728	17,195,604	148	-	39,776	-	17,387,256
Grants and contributions	5,487,877	-	-	-	-	-	5,487,877
Professional fees	618,221	260,959	766,916	-	271,261	40,244	1,957,601
Occupancy	585,086	-	234,782	-	653,764	912	1,474,544
Operations	-	-	958,295	509,237	-	-	1,467,532
Office	72,560	5,076	25,196	-	326,371	111,501	540,704
Dues, fees and memberships	399,046	-	-	-	44,885	1,094	445,025
Printing	281,887	-	-	-	3,837	157,132	442,856
Travel and seminars	308,344	-	12,717	-	34,821	2,495	358,377
Interest	-	-	-	-	252,562	-	252,562
Miscellaneous	88,462	-	74,100	-	63,070	2,790	228,422
Postage	139,978	-	39,541	-	7,326	36,616	223,461
Total expenses before depreciation and accretion	13,488,290	17,461,639	4,070,868	509,237	4,889,537	575,551	40,995,122
Depreciation and accretion	744,791	-	221,786	314,250	455,186	53,580	1,789,593
Total expenses	<u>\$ 14,233,081</u>	<u>\$ 17,461,639</u>	<u>\$ 4,292,654</u>	<u>\$ 823,487</u>	<u>\$ 5,344,723</u>	<u>\$ 629,131</u>	<u>\$ 42,784,715</u>

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

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,922,885	\$ 1,756,195
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and accretion	1,900,240	1,789,593
Noncash change in estimate from CARO	-	(1,199,387)
Gain on sale of assets	-	(1,479,613)
Change in fair value of beneficial interests	21,071	948
Loss on termination of capital projects	260,876	-
Bad debt recovery, net	(316,468)	(21,746)
In-kind donations of securities	(260,676)	(58,596)
Net appreciation in fair value of investments	(85,827)	(196,192)
(Increase) decrease in assets		
Cemeteries and other accounts receivable, net	(155,385)	(445,664)
Bequest receivable	(297,698)	770,716
Due from related Diocesan entities, net	3,431,041	(3,690,429)
Prepaid expenses and other assets	116,678	49,093
Contributions receivable, net	2,439,147	1,016,055
Insurance recoveries receivable	46,356	(32,314)
Cemetery inventory	165,909	160,443
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(558,587)	(597,311)
Special collection payable	(64,702)	37,758
Self-insurance claims and deductible amounts payable	513,657	(435,227)
Deferred revenue	507,545	184,902
Refundable advances	389,683	746,066
Due to related Diocesan entities	(2,054,477)	1,332,062
Deferred revenue - life use fees	(350,282)	(576,754)
Pension and other postretirement benefit obligations	(2,089,548)	1,866,833
Net cash provided by operating activities	<u>5,481,438</u>	<u>977,431</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,881,972)	(237,645)
Proceeds from sales of investments	86,046	113,062
Purchases of property and equipment	(947,186)	(5,223,065)
Proceeds from sales of property	-	1,501,784
Net cash used in investing activities	<u>(2,743,112)</u>	<u>(3,845,864)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	7,421,663	-
Principal payments on notes payable	(4,779,463)	(2,500,000)
Net cash provided by (used in) financing activities	<u>2,642,200</u>	<u>(2,500,000)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	5,380,526	(5,368,433)
Cash, cash equivalents and restricted cash - beginning of year	<u>19,995,085</u>	<u>25,363,518</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$ 25,375,611</u>	<u>\$ 19,995,085</u>
Supplementary Information:		
Cash paid for interest on indebtedness	<u>\$ 147,146</u>	<u>\$ 252,562</u>

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

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020 and 2019

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 Catholic Appeal, fundraising efforts and the Fairfield County Catholic publication revenues 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 Teresian Towers and Carmel Ridge Estates, life use and rental properties for elderly residents and pastoral care services for residents at nursing homes, formerly owned by Diocesan related entities. 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.

St. Joseph High School Properties LLC ("St. Joseph"), a single member LLC owned by the Diocese, was organized for the purpose to acquire, hold, maintain or improve real property and improvements thereof to further the institutional advancement of a Diocesan high school. The financial statements of St. Joseph have been consolidated with those of the Diocese (see subsequent events).

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.

- 78 parishes and one shrine
- 19 elementary schools and four high schools
- St. John Fisher Seminary, Inc.
- Bridgeport Diocesan Schools Corporation
- Catholic School Properties Fairfield County, Inc.
- Foundations in Faith, Inc.
- Foundations in Education, Inc.
- Foundations in Charity, Inc.
- We Stand with Christ 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.

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

June 30, 2020 and 2019

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") and are presented on a consolidated basis to include the accounts of the Diocese, reflecting its activities and direct operations, and the accounts of St. Joseph (collectively, the "Diocese"). 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 With Donor Restrictions - net assets subject to the following donor-imposed stipulations:

- Some donor restrictions are temporary in nature or satisfied by the passage of time 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 of gift instruments 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 Collection 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.

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

June 30, 2020 and 2019

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.

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.

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

June 30, 2020 and 2019

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 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 made, inventory is reduced by the cost of the space sold.

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, 2020 and 2019, the balance of the Diocese's beneficial interest in a perpetual trust is \$439,435 and \$459,339, 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:

	2020	2019
Balance, beginning of year	\$ 459,339	\$ 470,716
Distributions	(19,500)	(20,000)
Change in fair value of beneficial interest in trust	(404)	8,623
Balance, end of year	\$ 439,435	\$ 459,339

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

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

June 30, 2020 and 2019

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.

Deferred Revenue

Funds that are received from related entities in advance for medical insurance premiums for future periods and certain cemetery revenues are reflected as deferred revenue 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.

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.

Refundable Advances

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

Due to Related Diocesan Entities

Amounts received from the Annual Catholic 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, 2020 and 2019, the CARO liability totaled \$5,702,387 and \$5,392,210, respectively. For the years ended June 30, 2020 and 2019, accretion of interest related to these obligations totaled \$310,177 and \$311,130, respectively. Additionally, as of June 30, 2020 and 2019, included in buildings and improvements are capitalized CARO at a cost of \$264,499 and accumulated depreciation of \$234,920 and \$232,970, respectively. During fiscal year 2019, a review of future CARO obligations resulted in a change in the estimate of \$1,199,387. This amount is reflected as nonoperating income in the consolidated statement of activities.

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

June 30, 2020 and 2019

Contributions

As of July 1, 2019, the Diocese adopted Accounting Standards Update (“ASU”) 2018-08, Not-for Profit Entities (Topic 958): Clarifying the Scope and Guidance for Contributions Received and Contributions Made. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU have assisted in (1) evaluating whether 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.

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 Catholic Appeal

The Annual Catholic 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 Catholic 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 Diocese. Assessments are billed monthly during the fiscal year. Revenue related to the Cathedraticum assessments are recorded when billed.

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 owned by or related to the Diocese and are recognized as revenue in the period for which the coverage pertains.

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

June 30, 2020 and 2019

Cemeteries Revenues

The Catholic cemeteries of the Diocese sell rights to interment and entombment on retail installment contracts generally of not more than one-year's duration, without interest. The amounts received are normally refundable to the buyer, subject to a processing fee, until all amounts due have been received. These amounts and other revenues generated from sales of cemetery merchandise and services are deferred until the merchandise is delivered or the services are performed, at which time they are fully earned.

A portion of revenue from sales is invested and, together with the investment income therefrom, is available for perpetual care and maintenance of cemetery properties. In addition, owners of private property improvements (private mausoleums, estate walls, etc.) at the cemeteries provided additional funds at the time of purchase that is held in trust by the Diocese and invested in perpetuity and, together with the investment income therefrom, is available for care and maintenance of the property improvements. Cemeteries and other accounts receivable are shown net of an allowance of \$86,856 and \$81,716 as of June 30, 2020 and 2019, respectively. These receivables are all due within one year.

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 disposition of assets, contributions from dissolved related entities and other activities considered to be of a more unusual or nonrecurring nature, if any.

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, deferred revenue associated with residence life use fees, 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.

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

June 30, 2020 and 2019

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, 2020 and 2019, 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, cemetery operations allocations, 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 Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Total financial assets available to meet cash needs for general expenditures for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 25,181,538	\$ 19,736,310
Cemeteries and other accounts receivable, net within one year	1,499,287	1,139,194
Bequest receivable	350,000	52,302
Due from related Diocesan entities, net	3,565,023	6,242,391
Contributions receivable, net, due within one year	1,028,511	3,958,678
Insurance recoveries receivable	274,891	321,247
Notes receivable, net due within one year	250,000	250,000
Investments, at fair value	9,308,266	7,165,837
Beneficial interest in trust held by others	439,535	459,339
Beneficial interest in assets held by Foundations in Faith	<u>10,027,420</u>	<u>10,028,587</u>
Financial assets as of fiscal year end	51,924,471	49,353,885
Less amounts unavailable for general expenditures due to:		
Perpetual in nature	(10,466,855)	(10,487,926)
Subject to grantor time and purpose restrictions	<u>(2,599,309)</u>	<u>(5,548,602)</u>
Financial assets as of fiscal year end available to meet needs for general expenditures	<u>\$ 38,858,307</u>	<u>\$ 33,317,357</u>

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 change in net assets.

NOTE 3 - CONTRIBUTIONS RECEIVABLE, NET

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

	<u>2020</u>	<u>2019</u>
Amounts expected to be collected in:		
Less than one year	\$ 1,221,911	\$ 3,458,388
One to four years	240,300	784,438
	<u>1,462,211</u>	<u>4,242,826</u>
Less:		
Discount to net present value	(9,193)	(26,742)
Provision for doubtful accounts	<u>(193,400)</u>	<u>(257,406)</u>
	<u>\$ 1,259,618</u>	<u>\$ 3,958,678</u>

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

June 30, 2020 and 2019

NOTE 4 - NOTES RECEIVABLE, NET

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 \$343,477 as of June 30, 2020 and 2019. Subsequent to June 30, 2020 a payment of \$250,000 was received on this note.

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, 2020 and 2019. As of June 30, 2020, 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. The outstanding balance on this note receivable as of June 30, 2020 and 2019 totaled \$1,406,204, net of a discount for present value of \$341,761 (discount rate of 3.31%).

NOTE 5 - DUE FROM RELATED DIOCESAN ENTITIES, NET

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

	2020	2019
Parishes	\$ 7,748,097	\$ 7,344,390
Schools	7,772,011	9,109,040
We Stand With Christ	-	3,988,875
Other	1,370,698	1,334,490
	16,890,806	21,776,795
Less: Provision for doubtful accounts	(13,325,783)	(15,534,404)
	\$ 3,565,023	\$ 6,242,391

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.

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

June 30, 2020 and 2019

NOTE 6 - INVESTMENTS, AT FAIR VALUE

As of June 30, 2020, investments, at fair value, by fair value hierarchy level, consist of the following:

<u>Description</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 283,066	\$ -	\$ 283,066
Common stocks	389,155	-	389,155
Equity mutual funds	5,499,527	-	5,499,527
Bond mutual funds	2,700,573	-	2,700,573
Catholic Umbrella Pool	-	435,945	435,945
	<u>\$ 8,872,321</u>	<u>\$ 435,945</u>	<u>\$ 9,308,266</u>

As of June 30, 2019, investments, at fair value, by fair value hierarchy level, consist of the following:

<u>Description</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 128,973	\$ -	\$ 128,973
Common stocks	293,888	-	293,888
Equity mutual funds	4,788,586	-	4,788,586
Bond mutual funds	1,558,741	-	1,558,741
Catholic Umbrella Pool	-	395,649	395,649
	<u>\$ 6,770,188</u>	<u>\$ 395,649</u>	<u>\$ 7,165,837</u>

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

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 395,649	\$ 448,061
Change in value	40,296	(52,412)
Balance, end of year	<u>\$ 435,945</u>	<u>\$ 395,649</u>

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

June 30, 2020 and 2019

NOTE 7 - PROPERTY, BUILDINGS AND EQUIPMENT, NET

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

	2020	2019
Furniture and fixtures	\$ 2,916,795	\$ 2,887,047
Vehicles, computers and other equipment	4,218,529	4,113,783
Buildings and improvements	55,934,438	63,598,983
	63,069,762	70,599,813
Less: accumulated depreciation	(47,612,338)	(52,391,153)
	15,457,424	18,208,660
Construction in progress	156,256	5,163,056
Land improvements	1,849,337	1,849,337
Land	16,465,279	16,922,483
Property, buildings and equipment, net	\$ 33,928,296	\$ 42,143,536
Property held for sale	\$ 7,336,612	\$ 25,125

Certain land and buildings owned by the Diocese, with a net book value of \$11,140,823 and \$13,524,996 at June 30, 2020 and 2019, respectively, are made available to Diocesan high schools, elementary schools and the middle school for their use, free of rent (see subsequent events). In addition, land and buildings owned by the Diocese with a net book value of \$569,483 and \$676,429 at June 30, 2020 and 2019, 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 \$331,307 and \$491,000 for 2020 and 2019, respectively. The tuition credits are utilized by teachers in Diocesan schools seeking advanced degrees and by Diocesan seminarians seeking undergraduate degrees or individual courses.

During fiscal 2020, the Diocese began pursuing the sale of two properties; an existing and a closed school. (see subsequent events). Accordingly, the net book value of these properties, along with the unsold excess land reclassified in fiscal 2019, totaling \$7,336,612 has been reclassified as of June 30, 2020 from property, buildings and equipment to assets held for sale on the consolidated statement of financial position. During fiscal 2019 the Diocese began pursuing the sale of excess land. Accordingly, the net book value of this land totaling \$25,125 has been reclassified as of June 30, 2019 from property, buildings and equipment to assets held for sale on the consolidated statement of financial position. No impairment was recognized upon classification as assets held for sale as the net book value was determined to be less than the fair value of the properties. In November 2018, the Diocese executed the sale of the land, resulting in a gain on sale of \$1,479,613.

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

June 30, 2020 and 2019

NOTE 8 - 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, 2020 and 2019, the Diocese has recorded a beneficial interest in assets held by Foundations in Faith of \$10,027,420 and \$10,028,587, respectively, on the accompanying consolidated statements of financial position.

NOTE 9 - DUE TO RELATED DIOCESAN ENTITIES

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

	2020	2019
Catholic Charities of Fairfield County, Inc.	\$ 186,981	\$ 988,616
Foundations in Education, Inc.	191,382	891,231
The Catholic Academy of Bridgeport Inc.	197,506	535,295
Other related entities	237,074	452,278
	\$ 812,943	\$ 2,867,420

NOTE 10 - 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.

Medical, dental and prescription drug coverages are self-insured which claims are processed by a third-party provider. 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.

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

June 30, 2020 and 2019

NOTE 11 - NOTE PAYABLE

In October 2011, the Diocese obtained a \$15,000,000 loan from the Knights of Columbus that is secured by certain properties and other assets of the Diocese. Under the terms of the agreement, monthly payments of interest only (at 4.49% per annum) were payable through December 2017. Monthly payments of principal and interest would commence in January 2018 and continue through the maturity date on December 1, 2031. As of January 1, 2020 the interest rate was reduced to 4%. In January 2018, 2019 and 2020, the loan was amended to extend the interest only period through December 2018, 2019 and 2020. As of June 30, 2020 and 2019, the outstanding balance under the loan totaled \$3,500,000, respectively (see subsequent events).

On September 28, 2018, the Diocese obtained a \$5.5 million construction loan to be utilized for the Imagine 2020 school remodeling and expansion project, of which up to \$5 million can be utilized for construction related costs and \$500,000 is reserved for interest expense. The loan had a total term of 10 years, with a four-year construction term followed by a six-year permanent term. Interest only payments were due during the construction term on outstanding balances followed by principal and interest during the permanent term. Interest was fixed at 4.4% for the initial five years adjusted thereafter for the remaining five years to the Federal Home Loan Bank of Boston Classic Rate plus 2.0%. On April 7, 2020 the Diocese borrowed \$4,779,463 from this loan which balance was paid in full on June 26, 2020. The loan was closed at this time.

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. The loan and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. The Diocese believes this loan will be fully forgiven during the year ending June 30, 2021. The unforgiven portion of the PPP Loan, if any, is payable over five years at an interest rate of 1% with payments not required while forgiveness is pending.

Scheduled payments due on notes payable (excluding the PPP loan) at June 30, 2020 are as follows:

2021	\$ 368,832
2022	244,901
2023	254,879
2024	265,263
2025	276,070
Thereafter	<u>2,090,055</u>
Total	<u>\$ 3,500,000</u>

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

June 30, 2020 and 2019

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Restricted net assets at June 30:

	2020	2019
Subject to an expenditure for a specific purpose:		
Queen of Clergy priest expansion	\$ 260,274	\$ 255,832
St. John Fisher Seminary capital improvements and other	134,564	129,201
Education grants	90,069	169,811
Diocesan programs	429,888	661,015
Newman Center - ministry programs	166,603	155,436
World Youth Day	40,832	40,832
Catholic Leadership Institute	50,000	-
Other	167,461	177,797
Total purpose restricted	1,339,691	1,589,924
Subject to the passage of time:		
Contributions receivable	1,259,618	3,958,678
Total time restricted	1,259,618	3,958,678
Perpetual in nature		
Beneficial interest in trust held by others	439,435	459,339
Beneficial interest in assets held by Foundations in Faith	10,027,420	10,028,587
Total perpetual in nature	10,466,855	10,487,926
Total net assets with donor restrictions	\$ 13,066,164	\$ 16,036,528

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

	2020	2019
Purpose restrictions	\$ 712,837	\$ 741,067
Time restrictions	3,179,489	3,869,729
Total net assets released from restrictions	\$ 3,892,326	\$ 4,610,796

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

June 30, 2020 and 2019

NOTE 13 - 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, 2020 and 2019 amounted to approximately \$674,000 and \$382,000, respectively, and is expected to approximate \$680,000 for the year ending June 30, 2021.

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, 2020 and 2019, the date of the most recent valuation, the Lay Plan's projected benefit obligation exceeded the fair value of its assets by approximately \$99.8 million and \$92.5 million, respectively (unaudited).

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 with pension benefits provided at a uniform monthly amount that may be increased from time to time, with a current benefit of \$2,000 for all active and retired priests. Plan assets are held by a third-party trustee.

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

June 30, 2020 and 2019

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 24,488,419	\$ 23,001,093
Service cost	572,114	480,122
Interest cost	897,826	1,019,364
Actuarial loss	2,445,078	1,369,968
Plan amendment	-	186,816
Benefits paid	<u>(1,617,434)</u>	<u>(1,568,944)</u>
Projected benefit obligation at end of year	<u>\$ 26,786,003</u>	<u>\$ 24,488,419</u>
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	\$ 17,223,618	\$ 17,291,078
Actual return on plan assets	1,405,592	921,004
Benefits paid	(1,617,434)	(1,568,944)
Plan sponsor contributions	<u>569,469</u>	<u>580,480</u>
Fair value of plan assets at end of year	<u>\$ 17,581,245</u>	<u>\$ 17,223,618</u>
Unfunded status (liability)	<u>(9,204,758)</u>	<u>(7,264,801)</u>
Accumulated benefit obligation	<u>\$ 26,786,003</u>	<u>\$ 24,488,419</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:

	<u>2020</u>	<u>2019</u>
Net loss	\$ 7,163,351	\$ 5,192,702
Unrecognized prior service cost	<u>1,162,070</u>	<u>1,287,025</u>
	<u>\$ 8,325,421</u>	<u>\$ 6,479,727</u>

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

	<u>2020</u>	<u>2019</u>
Service cost	\$ 572,114	\$ 480,122
Interest cost	897,826	1,019,364
Expected return on plan assets	(1,082,507)	(1,088,462)
Amortization of unrecognized prior service cost	124,955	114,651
Amortization of unrecognized net loss	<u>151,344</u>	<u>80,569</u>
Net periodic benefit cost	<u>\$ 663,732</u>	<u>\$ 606,244</u>

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

June 30, 2020 and 2019

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

	2020	2019
Net loss	\$ 2,121,993	\$ 1,537,426
Amortization of unrecognized net loss	(151,344)	(80,569)
Amortization of unrecognized prior service cost	(124,955)	72,165
Pension-related activity other than net periodic benefit cost	\$ 1,845,694	\$ 1,529,022

The estimated actuarial loss and unrecognized prior service cost that will be amortized into net periodic benefit cost during the fiscal year ended June 30, 2020 is \$151,344 and \$124,955, respectively.

Assumptions

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

	2020	2019
Discount rate	3.10%	3.80%
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:

	2020	2019
Discount rate	3.80%	4.60%
Expected long-term return on plan assets	6.50%	6.50%

Contributions

The Diocese expects to contribute approximately \$588,000 to the Priest Plan during the fiscal year ended June 30, 2021.

Estimated Future Benefit Payments

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

2021		\$ 1,688,752
2022		1,605,543
2023		1,630,600
2024		1,586,767
2025		1,557,729
2026 to 2030		7,597,119

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 Bridgeport Roman Catholic Diocesan Corporation and Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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	0	0	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, 2020 and 2019, the Diocese's Priest Plan assets that are classified as Level 1 within the fair value hierarchy consist of the following:

	2020	2019
Cash equivalents	\$ 572,756	\$ 561,494
Equity mutual funds	12,434,605	11,061,564
Bond mutual funds	4,573,884	5,600,560
Total	\$ 17,581,245	\$ 17,223,618

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

	2020	2019
Equity mutual funds	72.00%	64.00%
Bond mutual funds	25.00	33.00
Cash equivalents	3.00	3.00
Total	100.00%	100.00%

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

June 30, 2020 and 2019

Former Pension Plan for Priests

The Diocese also provides pension benefits to priests under a plan that was superseded by the Priest Plan who were retired before adoption of the Priest Plan and were not eligible to participate due to their advanced ages when the Priest Plan was adopted. The present value of the estimated obligation to these priests total \$53,715 and \$56,132, determined using a discount rate of 3.1% and 3.8% at June 30, 2020 and 2019, respectively, and is included in pension and other postretirement benefit obligations in the accompanying consolidated statements of financial position. Pension payments were approximately \$22,000 and \$28,000 for the years ended June 30, 2020 and 2019, respectively. The obligation is unfunded. The actuarial loss together with interest on this obligation is recorded as a reduction of other pension expense for priests and totaled \$2,410 and \$2,029 for the years ended June 30, 2020 and 2019, respectively.

NOTE 14 - 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 \$295,000 and \$254,000 for the years ended June 30, 2020 and 2019, 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 15 - 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:

	<u>2020</u>	<u>2019</u>
Change in projected benefit obligation:		
Accumulated benefit obligation at beginning of year	\$ 14,118,208	\$ 13,804,132
Service cost	512,110	427,107
Interest cost	482,839	574,598
Amendments (change in eligibility age from 75 to 71)	-	935,919
Actuarial gain	(4,693,938)	(1,171,816)
Benefits paid	<u>(328,106)</u>	<u>(451,732)</u>
Accumulated benefit obligation at end of year	<u>\$ 10,091,113</u>	<u>\$ 14,118,208</u>

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

June 30, 2020 and 2019

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:

	<u>2020</u>	<u>2019</u>
Net (gain) loss	\$ (2,916,006)	\$ 1,797,396
Transition obligation	780,000	975,000
Prior service cost	1,806,691	1,941,429
	<u>\$ (329,315)</u>	<u>\$ 4,713,825</u>

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

	<u>2020</u>	<u>2019</u>
Service cost	\$ 512,110	\$ 427,107
Interest cost	482,839	574,598
Amortization of actuarial loss	19,464	82,449
Amortization of transition obligation	195,000	195,000
Amortization of prior service cost	134,738	83,370
	<u>\$ 1,344,151</u>	<u>\$ 1,362,524</u>

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

	<u>2020</u>	<u>2019</u>
Actuarial gain	\$ (4,693,938)	\$ (1,171,816)
New prior service cost	-	935,919
Amortization of actuarial loss	(19,464)	(82,449)
Amortization of transition obligation	(195,000)	(195,000)
Amortization of prior service cost	(134,738)	(83,370)
	<u>\$ (5,043,140)</u>	<u>\$ (596,716)</u>

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 \$98,041, \$195,000 and \$134,738, respectively.

Assumptions

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

	<u>2020</u>	<u>2019</u>
Discount rate	2.65%	3.48%
Health-care cost trend rate assumed for next year	7.00	7.50
Ultimate health-care cost trend rate	5.00	5.00
Year ultimate health-care cost trend rate is achieved	2024	2024

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

June 30, 2020 and 2019

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

	2020	2019
Discount rate	3.48%	4.11%
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:

	2020	
	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 286,165	\$ (207,468)
Effect on accumulated benefit obligation	2,374,043	(1,798,033)
	2019	
	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 269,332	\$ (196,911)
Effect on accumulated benefit obligation	3,143,447	(2,039,594)

Estimated Future Benefit Payments

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

2021	\$ 306,331
2022	312,675
2023	326,811
2024	329,561
2025	332,703
2026 to 2029	1,778,283

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.

NOTE 16 - 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 Affiliate
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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, 2020 and 2019, the aggregate balances outstanding on these loans, which the Diocese has guaranteed, approximated \$4,554,000 and \$5,104,000, 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, 2020 and 2019.

NOTE 17 - RISKS AND UNCERTAINTY

The recent COVID-19 outbreak has caused economic interruptions through mandated and voluntary closings of businesses and organizations throughout the United States. The extent of the impact of COVID-19 on Diocesan operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on Diocesan donors, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact Diocesan financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

NOTE 18 - SUBSEQUENT EVENTS

The Diocese evaluated its June 30, 2020 consolidated financial statements for subsequent events through December 22, 2020, 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 the items noted below.

On September 30, 2020 the Diocese sold and transferred title of the original school building of the Joseph's High School and certain land to SJHS Realty, LLC for \$2.5 million. Subsequent to this sale St. Joseph's High School Properties, LLC was dissolved.

On November 12, 2020 the Diocese received a commitment letter funding a \$3 million working capital line of credit. The commitment agreement expects to be executed in January 2021.

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 within Trumbull, Connecticut. The construction will commence in December 2020 with projected completion by the fall of 2021. The loan has a total term of 84 months with the initial 24 months 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.

During early 2021 the Diocese is expected to execute an asset sale agreement and a long-term land lease for a school property in Stamford, Connecticut to a religious organization who will utilize as a Catholic School. The total sale price is expected to be \$18.85 million of which \$7 million will be by the Diocese at closing, in which \$1.4 million will be placed into an escrow account until a lien on this property is released. The remaining \$11.85 million will be due in year five. The agreement initially is structured as a ground lease but can be converted to a sale once the outstanding balance is received in year five. This agreement contains various options on default of payment in year five or if the buyer opts to terminate the agreement, the property will transition back to the Diocese.

During December 2020, the Diocese paid \$250,000 to the Knights of Columbus, which reduced the note payable balance to \$3,250,000. Additionally, the loan was amended to extend the interest only period through December 2021.

SUPPLEMENTARY SCHEDULES

The Bridgeport Roman Catholic Diocesan Corporation and Affiliate

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2020

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Teresian Towers and Carmel Ridge Estates	St. Joseph High School Properties LLC	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 17,218,953	\$ 3,733,690	\$ 1,784,307	\$ 2,444,588	\$ -	\$ -	\$ 25,181,538
Restricted cash	194,073	-	-	-	-	-	194,073
Property held for sale	7,336,612	-	-	-	-	-	7,336,612
Cemeteries and other accounts receivable, net	527,711	-	916,538	55,038	-	-	1,499,287
Bequest receivable	350,000	-	-	-	-	-	350,000
Due from related Diocesan entities, net	1,929,596	1,149,495	-	660,129	-	(174,197)	3,565,023
Prepaid expenses and other assets	338,957	110,756	10,000	-	-	-	459,713
Contributions receivable, net	1,259,618	-	-	-	-	-	1,259,618
Insurance recoveries receivable	-	274,891	-	-	-	-	274,891
Notes receivable, net	1,749,681	-	-	-	-	-	1,749,681
Investments, at fair value	859,853	1,464,394	6,984,019	-	-	-	9,308,266
Cemetery inventory	-	-	2,163,085	-	-	-	2,163,085
Beneficial interest in trust held by others	439,435	-	-	-	-	-	439,435
Beneficial interests in assets held by Foundations in Faith, Inc.	10,027,420	-	-	-	-	-	10,027,420
Property, buildings and equipment, net	24,360,536	-	8,493,088	324,383	750,289	-	33,928,296
Due from funds	21,138,271	3,991,167	-	-	-	(25,129,438)	-
Total assets	<u>\$ 87,730,716</u>	<u>\$ 10,724,393</u>	<u>\$ 20,351,037</u>	<u>\$ 3,484,138</u>	<u>\$ 750,289</u>	<u>\$ (25,303,635)</u>	<u>\$ 97,736,938</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts payable and accrued expenses	\$ 1,659,432	\$ 139,570	\$ 249,751	\$ 253,769	\$ -	\$ (174,197)	\$ 2,128,325
Special collections payable	194,073	-	-	-	-	-	194,073
Self-insurance claims and deductible amounts payable	-	4,418,835	-	-	-	-	4,418,835
Deferred revenue	84,000	557,172	1,127,571	-	-	-	1,768,743
Refundable advances	968,598	-	-	-	-	-	968,598
Due to related Diocesan entities	812,943	-	-	-	-	-	812,943
Notes payable	6,142,200	-	-	-	-	-	6,142,200
Deferred revenue - life use fees	-	-	-	1,692,204	-	-	1,692,204
Conditional asset retirement obligations	5,702,387	-	-	-	-	-	5,702,387
Net pension and other postretirement benefit obligations	-	19,349,593	-	-	-	-	19,349,593
Due to funds	2,413,077	22,716,361	-	-	-	(25,129,438)	-
Total liabilities	<u>17,976,710</u>	<u>47,181,531</u>	<u>1,377,322</u>	<u>1,945,973</u>	<u>-</u>	<u>(25,303,635)</u>	<u>43,177,901</u>
NET ASSETS (DEFICIT)							
Without donor restrictions	56,687,842	(36,457,138)	18,973,715	1,538,165	750,289	-	41,492,873
With donor restrictions	13,066,164	-	-	-	-	-	13,066,164
Total net assets (deficit)	<u>69,754,006</u>	<u>(36,457,138)</u>	<u>18,973,715</u>	<u>1,538,165</u>	<u>750,289</u>	<u>-</u>	<u>54,559,037</u>
Total liabilities and net assets (deficit)	<u>\$ 87,730,716</u>	<u>\$ 10,724,393</u>	<u>\$ 20,351,037</u>	<u>\$ 3,484,138</u>	<u>\$ 750,289</u>	<u>\$ (25,303,635)</u>	<u>\$ 97,736,938</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 Affiliate

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2019

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Teresian Towers and Carmel Ridge Estates	St. Joseph High School Properties LLC	Eliminations	Total
ASSETS							
Cash and cash equivalents	\$ 10,609,680	\$ 5,403,490	\$ 1,707,394	\$ 2,015,746	\$ -	\$ -	\$ 19,736,310
Restricted cash	258,775	-	-	-	-	-	258,775
Property held for sale	25,125	-	-	-	-	-	25,125
Cemeteries and other accounts receivable, net	473,301	-	497,758	656,238	-	(106,103)	1,521,194
Bequest receivable	52,302	-	-	-	-	-	52,302
Due from related Diocesan entities, net	5,822,406	474,502	-	-	-	(54,517)	6,242,391
Prepaid expenses and other assets	516,345	50,046	10,000	-	-	-	576,391
Contributions receivable, net	3,958,678	-	-	-	-	-	3,958,678
Insurance recoveries receivable	-	321,247	-	-	-	-	321,247
Notes receivable, net	1,749,681	-	-	-	-	-	1,749,681
Investments, at fair value	599,570	400,348	6,165,919	-	-	-	7,165,837
Cemetery inventory	6,973	-	2,322,021	-	-	-	2,328,994
Beneficial interest in trust held by others	459,339	-	-	-	-	-	459,339
Beneficial interests in assets held by Foundations in Faith	10,028,587	-	-	-	-	-	10,028,587
Property, buildings and equipment, net	32,443,985	-	8,347,147	602,115	750,289	-	42,143,536
Due from funds	24,525,001	4,319,605	-	-	-	(28,844,606)	-
Total assets	<u>\$ 91,529,748</u>	<u>\$ 10,969,239</u>	<u>\$ 19,050,238</u>	<u>\$ 3,274,099</u>	<u>\$ 750,289</u>	<u>\$ (29,005,226)</u>	<u>\$ 96,568,387</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts payable and accrued expenses	\$ 2,001,627	\$ 141,971	\$ 454,290	\$ 249,644	\$ -	\$ (160,620)	\$ 2,686,912
Special collection payable	258,775	-	-	-	-	-	258,775
Self-insurance claims and deductible amounts payable	-	3,905,178	-	-	-	-	3,905,178
Deferred revenue	10,982	671,760	18,000	-	-	-	700,742
Refundable advances	578,915	-	560,456	-	-	-	1,139,371
Due to related Diocesan entities	2,867,420	-	-	-	-	-	2,867,420
Notes payable	3,500,000	-	-	-	-	-	3,500,000
Deferred revenue - life use fees	-	-	-	2,042,486	-	-	2,042,486
Conditional asset retirement obligations	5,392,210	-	-	-	-	-	5,392,210
Net pension and other postretirement benefit obligations	-	21,439,141	-	-	-	-	21,439,141
Due to funds	4,413,261	24,431,343	2	-	-	(28,844,606)	-
Total liabilities	<u>19,023,190</u>	<u>50,589,393</u>	<u>1,032,748</u>	<u>2,292,130</u>	<u>-</u>	<u>(29,005,226)</u>	<u>43,932,235</u>
NET ASSETS (DEFICIT)							
Without donor restrictions	56,470,030	(39,620,155)	18,017,491	981,969	750,289	-	36,599,624
With donor restrictions	16,036,528	-	-	-	-	-	16,036,528
Total net assets (deficit)	<u>72,506,558</u>	<u>(39,620,155)</u>	<u>18,017,491</u>	<u>981,969</u>	<u>750,289</u>	<u>-</u>	<u>52,636,152</u>
Total liabilities and net assets (deficit)	<u>\$ 91,529,748</u>	<u>\$ 10,969,238</u>	<u>\$ 19,050,239</u>	<u>\$ 3,274,099</u>	<u>\$ 750,289</u>	<u>\$ (29,005,226)</u>	<u>\$ 96,568,387</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 Affiliate

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the year ended June 30, 2020

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Teresian Towers and Carmel Ridge Estates	St. Joseph High School Properties LLC	Eliminations	Total
REVENUES, SUPPORT AND OTHER CHANGES							
Annual Catholic Appeal	\$ 7,490,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,490,964
Contributions and bequests	2,298,147	-	-	-	-	-	2,298,147
Cathedraticum from parishes	6,587,993	-	-	-	-	-	6,587,993
Employee benefit and insurance programs	-	20,192,580	-	-	-	(2,707,257)	17,485,323
Cemeteries operations	1,437,000	-	8,106,767	-	-	(1,437,000)	8,106,767
Rental income	576,424	-	-	1,373,561	-	-	1,949,985
Reimbursement revenue	290,001	-	-	-	-	-	290,001
Advertising	240,374	-	-	-	-	-	240,374
Program fees	137,284	-	-	-	-	-	137,284
Other operating revenues	932,092	-	-	127,245	-	(210,016)	849,321
Total revenues, support and other changes	<u>19,990,279</u>	<u>20,192,580</u>	<u>8,106,767</u>	<u>1,500,806</u>	<u>-</u>	<u>(4,354,273)</u>	<u>45,436,159</u>
EXPENSES							
Programs	13,456,232	-	-	-	-	(1,120,540)	12,335,692
Employee benefits and insurance	-	20,523,209	-	-	-	(160,016)	20,363,193
Cemeteries operations	-	-	6,920,207	-	-	(2,335,277)	4,584,930
Teresian Towers and Carmel Ridge Estates	-	-	-	629,689	-	(122,122)	507,567
Management and general	5,579,395	-	-	-	-	(558,318)	5,021,077
Stewardship and development	945,320	-	-	-	-	(58,000)	887,320
Total expenses	<u>19,980,947</u>	<u>20,523,209</u>	<u>6,920,207</u>	<u>629,689</u>	<u>-</u>	<u>(4,354,273)</u>	<u>43,699,779</u>
Income from operations before depreciation and accretion	9,332	(330,629)	1,186,560	871,117	-	-	1,736,380
Depreciation and accretion	(1,343,869)	-	(241,450)	(314,921)	-	-	(1,900,240)
(Loss) income from operations before nonoperating activities	<u>(1,334,537)</u>	<u>(330,629)</u>	<u>945,110</u>	<u>556,196</u>	<u>-</u>	<u>-</u>	<u>(163,860)</u>
NONOPERATING ACTIVITIES							
Pension related-activity other than net periodic benefit cost	-	3,197,446	-	-	-	-	3,197,446
Change in value of beneficial interest in Foundations in Faith and third-party trust	(21,072)	-	-	-	-	-	(21,072)
Investment income, net	60,950	14,568	243,860	-	-	-	319,378
Bad debt (expense) and recoveries, net	(259,388)	575,856	-	-	-	-	316,468
Support to Diocesan schools	(454,883)	(301,616)	-	-	-	-	(756,499)
Contributions from dissolved related entities	157,122	-	-	-	-	-	157,122
Independent accountability report	(484,569)	-	-	-	-	-	(484,569)
Miscellaneous nonoperating income	13,615	7,392	17,253	-	-	-	38,260
Miscellaneous nonoperating expenses	(429,790)	-	(249,999)	-	-	-	(679,789)
Change in net assets	<u>(2,752,552)</u>	<u>3,163,017</u>	<u>956,224</u>	<u>556,196</u>	<u>-</u>	<u>-</u>	<u>1,922,885</u>
Net assets (deficit) - beginning of year	<u>72,506,558</u>	<u>(39,620,155)</u>	<u>18,017,491</u>	<u>981,969</u>	<u>750,289</u>	<u>-</u>	<u>52,636,152</u>
Net assets (deficit) - end of year	<u>\$ 69,754,006</u>	<u>\$ (36,457,138)</u>	<u>\$ 18,973,715</u>	<u>\$ 1,538,165</u>	<u>\$ 750,289</u>	<u>\$ -</u>	<u>\$ 54,559,037</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 Affiliate

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the year ended June 30, 2019

	Diocesan Operations	Employee Benefits and Insurance Programs	Cemeteries Operations	Teresian Towers and Carmel Ridge Estates	St. Joseph High School Properties LLC	Eliminations	Total
REVENUES, SUPPORT AND OTHER CHANGES							
Annual Catholic Appeal	\$ 10,017,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,017,799
Contributions and bequests	2,359,323	-	-	-	-	-	2,359,323
Cathedraticum from parishes	6,854,443	-	-	-	-	-	6,854,443
Employee benefit and insurance programs	-	18,033,610	-	-	-	(2,734,846)	15,298,764
Cemeteries operations	1,437,000	-	6,306,809	-	-	(1,437,000)	6,306,809
Rental income	422,605	-	-	1,348,373	-	-	1,770,978
Reimbursement revenue	334,032	-	-	-	-	-	334,032
Advertising	331,576	-	-	-	-	-	331,576
Program fees	177,159	-	-	-	-	-	177,159
Other operating revenues	879,937	-	-	72,403	-	(223,125)	729,215
Total revenues, support and other changes	22,813,874	18,033,610	6,306,809	1,420,776	-	(4,394,971)	44,180,098
EXPENSES							
Programs	14,606,725	-	-	-	-	(1,118,435)	13,488,290
Employee benefits and insurance	-	17,609,639	-	-	-	(148,000)	17,461,639
Cemeteries operations	-	-	6,390,210	-	-	(2,319,342)	4,070,868
Teresian Towers and Carmel Ridge Estates	-	-	-	652,249	-	(143,012)	509,237
Management and general	5,514,398	-	-	-	-	(624,861)	4,889,537
Stewardship and development	616,872	-	-	-	-	(41,321)	575,551
Total expenses	20,737,995	17,609,639	6,390,210	652,249	-	(4,394,971)	40,995,122
Income from operations before depreciation and accretion	2,075,879	423,971	(83,401)	768,527	-	-	3,184,976
Depreciation and accretion	(1,253,557)	-	(221,786)	(314,250)	-	-	(1,789,593)
Income (loss) from operations before nonoperating activities	822,322	423,971	(305,187)	454,277	-	-	1,395,383
NONOPERATING ACTIVITIES							
Pension related-activity other than net periodic benefit cost	-	(2,891,546)	-	-	-	-	(2,891,546)
Change in value of beneficial interest in Foundations in Faith and third-party trust	(948)	-	-	-	-	-	(948)
Gain on sale of assets	1,479,613	-	-	-	-	-	1,479,613
Investment income, net	103,419	30,125	302,573	-	-	-	436,117
Income from estimate change related to CARO	1,199,387	-	-	-	-	-	1,199,387
Insurance proceeds	-	34,023	1,550	-	-	-	35,573
Bad debt (expense) and recoveries, net	(136,600)	158,346	-	-	-	-	21,746
Support to Diocesan schools	(512,260)	(124,192)	-	-	-	-	(636,452)
Contributions from dissolved related entities	1,390,186	-	-	-	-	-	1,390,186
Independent accountability report	(701,680)	-	-	-	-	-	(701,680)
Debt forgiveness from Cemeteries	17,945,243	-	(17,945,243)	-	-	-	-
Miscellaneous nonoperating income	95,870	-	-	230,540	-	-	326,410
Miscellaneous nonoperating expenses	(297,594)	-	-	-	-	-	(297,594)
Change in net assets	21,386,958	(2,369,273)	(17,946,307)	684,817	-	-	1,756,195
Net assets (deficit) - beginning of year	51,119,600	(37,250,882)	35,963,798	297,152	750,289	-	50,879,957
Net assets (deficit) - end of year	\$ 72,506,558	\$ (39,620,155)	\$ 18,017,491	\$ 981,969	\$ 750,289	\$ -	\$ 52,636,152

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 Affiliate
CONSOLIDATING SCHEDULE OF PROGRAM FUNCTIONAL EXPENSES
For the year ended June 30, 2020

	Pastoral Services of the Bishop*	Religious Personnel Services (Includes Queen of Clergy)	Catholic Education and Faith Formation	Pastoral and Human Services	Vocations	Communications and Social Media	Other Program Support	Total Programs
Personnel costs - lay	\$ 791,272	\$ 966,898	\$ 986,352	\$ 196,056	\$ 12,220	\$ 418,946	\$ -	\$ 3,371,744
Personnel costs - religious	161,734	331,890	142,551	671,633	680,284	-	-	1,988,092
Total personnel costs	953,006	1,298,788	1,128,903	867,689	692,504	418,946	-	5,359,836
Insurance	7,988	54,887	5,562	6,063	-	-	-	74,500
Grants and contributions	-	-	-	-	-	-	4,655,831	4,655,831
Professional fees	75,400	13,207	239,450	2,537	16,083	171,206	-	517,883
Occupancy	120,811	406,854	51,028	7,318	3,112	2,268	-	591,391
Office	6,535	4,469	10,934	810	-	5,672	-	28,420
Dues, fees and memberships	421,225	3,548	68,583	13,603	2,812	5,132	-	514,903
Printing	20,648	635	7,723	324	1,037	197,805	-	228,172
Travel and seminars	50,797	11,347	67,646	2,395	24,391	1,414	-	157,990
Miscellaneous	18,490	23,939	4,661	6,417	4,347	-	-	57,854
Postage	5,683	1,304	2,388	483	567	138,487	-	148,912
Total expenses before depreciation and accretion	1,680,583	1,818,978	1,586,878	907,639	744,853	940,930	4,655,831	12,335,692
Depreciation and accretion	166,208	179,896	156,941	89,765	73,666	93,057	-	759,533
Total expenses	<u>\$ 1,846,791</u>	<u>\$ 1,998,874</u>	<u>\$ 1,743,819</u>	<u>\$ 997,404</u>	<u>\$ 818,519</u>	<u>\$ 1,033,987</u>	<u>\$ 4,655,831</u>	<u>\$ 13,095,225</u>

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

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The Bridgeport Roman Catholic Diocesan Corporation and Affiliate
CONSOLIDATING SCHEDULE OF PROGRAM FUNCTIONAL EXPENSES
For the year ended June 30, 2019

	Pastoral Services of the Bishop*	Religious Personnel Services (includes Queen of Clergy)	Catholic Education and Faith Formation	Pastoral and Human Services	Vocations	Communications and Social Media	Other Program Support	Total Programs
Personnel costs - lay	\$ 738,094	\$ 867,910	\$ 1,016,796	\$ 177,638	\$ 25,706	\$ 389,771	\$ -	\$ 3,215,915
Personnel costs - religious	215,527	499,577	153,280	827,965	442,837	-	-	2,139,186
Total personnel costs	953,621	1,367,487	1,170,076	1,005,603	468,543	389,771	-	5,355,101
Insurance	10,617	121,630	5,112	13,392	977	-	-	151,728
Grants and contributions	-	-	-	-	-	-	5,487,877	5,487,877
Professional fees	100,199	57,864	256,356	11,001	12,070	180,731	-	618,221
Occupancy	128,307	395,148	48,739	8,541	765	3,586	-	585,086
Office	17,056	15,960	28,288	2,493	-	8,763	-	72,560
Dues, fees and memberships	277,939	6,384	94,530	13,814	2,864	3,515	-	399,046
Printing	28,677	8,679	19,989	1,036	1,147	222,359	-	281,887
Travel and seminars	100,475	20,264	148,839	4,644	30,426	3,696	-	308,344
Miscellaneous	20,457	36,289	15,726	9,380	6,610	-	-	88,462
Postage	6,679	567	2,491	499	1,519	128,223	-	139,978
Total expenses before depreciation and accretion	1,644,027	2,030,272	1,790,146	1,070,403	524,921	940,644	5,487,877	13,488,290
Depreciation and accretion	153,049	189,006	166,652	99,648	48,867	87,569	-	744,791
Total expenses	<u>\$ 1,797,076</u>	<u>\$ 2,219,278</u>	<u>\$ 1,956,798</u>	<u>\$ 1,170,051</u>	<u>\$ 573,788</u>	<u>\$ 1,028,213</u>	<u>\$ 5,487,877</u>	<u>\$ 14,233,081</u>

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