

December, 2013

Dear Friends in Christ,

Allow me to begin by expressing my sincere gratitude for the heartfelt welcome you have given me since my arrival as Bishop of the Diocese of Bridgeport. I am truly humbled to serve the Lord in this strong, diverse and faith-filled community. Further, I am truly blessed to follow the strong and dedicated leadership of my predecessors.

As I begin my ministry in your midst, I commit to you, the priests, deacons, women and men in consecrated life and the lay faithful of the Diocese, my unwavering commitment to serve as your shepherd here in Fairfield County.

My vision for the future of the Diocese of Bridgeport is one of a growing and vibrant Church that welcomes everyone who seeks to deepen their relationship with the Lord Jesus within our Catholic community of faith. Central to this welcome is my desire to invite all of our young people to grow in love of the Lord Jesus and to find their spiritual home in our parishes and schools. My vision is one of hope and growth, of renewed faith and charity towards those most in need.

With your help, support and prayers, I stand ready to collaborate with you to make this vision a reality.

As a necessary first step in building the future of our Diocese in service of the Lord, I wish to begin by sharing the accompanying Stewardship Report that includes a summary of our ministries and a picture of the current financial position of the Diocese of Bridgeport. To that end, presented in this report are the condensed financial statements and commentary for fiscal years 2010, 2011 and 2012 for the Bridgeport Roman Catholic Diocesan Corporation (the "Diocese"). Also being presented as part of this report are the full audits for fiscal years 2010, 2011 and 2012, which can be found online at [here](#). These audited financial statements received clean, unqualified opinion letters from our outside auditors. By December 31, 2013, we will also issue financial statements with commentary for fiscal year 2009. Since the 2009 audit year reflects an 18 month audit, as the result of a change in the Diocesan fiscal year from June 30th to December 31st, it is not a comparative report to those issued here. By January 31, 2014 a full accounting of the Diocesan endowment fund, *Faith in the Future*, will be issued.

This stewardship report and accompanying financial statements are the first step in a three step process. With this report I am providing a current assessment of the Diocese, as well as specific information on its recent past. The second step will be to undergo a consultative and collaborative process by which we can articulate together a comprehensive pastoral and strategic vision for the future of our Diocese. Included in that vision will be identifying those areas of pastoral life that need to be revitalized in order to realize a vibrant and growing Church. The third step will be to develop a concrete plan that will allow us to realize this vision over the next few years. To achieve these goals, I will seek the assistance and collaboration of all in Diocesan leadership, as well as all the clergy, religious and lay leaders of our Diocese.

As we know, the past five years have seen great change and presented significant challenges in our country's broader financial markets. The Diocese has also experienced similar change and challenges, as outlined in our financial statements. Like many other non-profit organizations and individuals during 2008, the investment portfolio of the Diocese, particularly the Diocesan Lay Pension Plan, experienced market-related losses. Additionally, the Diocese has struggled over the past several years with an annual operating deficit, primarily due to the inability to collect all of the insurance premiums due from some of our schools and parishes. As a result, the Diocese required both external and internal borrowings to finance ongoing regular

operations. You will see in the accompanying reports how the Diocese has chosen to address these challenges. Finally, despite these financial challenges, the Diocese has continued to honor its commitment not to fund any settlements of sexual abuse claims with monies from donors, parishes or Diocesan accounts but has funded these settlements with past and ongoing property sales.

Over the last few years, the Diocese has taken a number of steps to strengthen its financial position. Among these steps are:

- Freezing the Lay Pension Plan for all participants as of July 2010, and replacing it with a defined contribution plan for employees;
- Instituting a pension shortfall assessment in 2011, with plans to continue the assessment each year until the liability is fully discharged;
- Close monitoring of the pension fund's asset allocation and investment strategy by the Diocesan Finance Council Investment Committee;
- Ongoing review and reorganization of Diocesan operations, to generate efficiencies and reduced expenses.

As I have studied the situation over the last two months, I wish to commend those in past positions of Diocesan leadership who made difficult decisions to address these challenges. I applaud my predecessors and Monsignor Jerald Doyle, whose hard work before my arrival has given us a solid foundation upon which to build.

I am grateful to our Diocesan financial services team, the Diocesan Finance Council, the College of Consultors, and many others for their hard work and dedication to ensure faithful stewardship of the resources entrusted to the Church's care.

As we acknowledge the challenges that we face as a Diocese here in Fairfield County, I am delighted to report that our 82 parishes, 34 schools, our social service ministry provided by Catholic Charities, and many other pastoral, spiritual, and educational services offered by the Diocese and outlined in this report have faithfully and generously served the Lord Jesus and His people very well. Whether we look at our spiritual and pastoral life, educational and social service ministries, or the financial stewardship provided by our Diocese, there is great news and much progress to be celebrated.

While we continue to work together to enhance our financial resources, we are all committed to doing the Lord's work in our parishes and communities. It is each of you, our faithful priests, deacons and women and men in consecrated life who have given their lives in dedicated witness to the Church, and the lay faithful who have given their time, talent, and treasure, who make this work possible. We all share this responsibility, through our individual vocations and ministries, and the support we give to our parishes and the Annual Bishop's Appeal.

I ask you to join me to foster a growing and vibrant Church here in the Diocese of Bridgeport, where all are welcome and in which our young people will find their spiritual home.

It is in this spirit that I wish to express my sincere thanks to all of you for your generosity and commitment to Christ and His Church. May our work in the years ahead reap great fruit as we strive to serve the Lord through one another.

As we enter the Advent season, please be assured of my prayers for you and your loved ones.

Sincerely in Christ,

Most Reverend Frank J. Caggiano

Bishop of Bridgeport