

This Stewardship Report is first and foremost a record of faith in our Diocese. Nothing could compel the extraordinary commitment, personal giving, and acts of faithful service outlined here other than the experience of the Risen Lord in our midst. It is a faith that binds generations and celebrates the presence of Jesus in our lives and manifests itself in the good works reported below.

As Catholics, we must constantly ask, “How authentic are we as a loving community?” The good works described here answer this important question. They speak to a stewardship with its roots in the Gospel mandate to serve the poor, to care for the sick and to bring the merciful love of Jesus to all those who are seeking reconciliation and healing in life.

Stewardship is a gift, not a burden. Stewards are neither masters nor servants, but loving caretakers who treat the resources with which they are entrusted as if they were their own. In a larger sense, this report is not simply about Diocesan stewardship, but the giving of time, talent and treasure by so many people of faith in our parishes, schools, and throughout the Diocese.

St. Augustine reminds us that only those who are truly grateful for their lives and gifts can be generous to others. They use their own talents well, and give their surplus blessings to support those in need.

This report offers a snapshot of the wide range of ministries, programs, and charisms at work in our local Church. The report also provides a comprehensive and accurate picture of diocesan finances, financial commentary, and a summary of the good work you make possible through your continued financial support.

Living in the Spirit

We are a Diocese of 82 parishes serving 420,000 Catholics in Fairfield County. Our parishes continue to proclaim the Gospel, draw people into the life of the Sacraments, and worship as loving communities that bring the comfort of Jesus to those in need.

- In our diverse Diocese, Mass is said in 14 languages, and the area’s newest immigrants worship alongside those who have been here for generations. There is a vibrant Vietnamese community worshipping at St. Augustine Cathedral in Bridgeport and growing Brazilian communities in Danbury and Bridgeport, as well as a long history of Hispanic and Haitian ministries in our Diocese. Our parishes also serve Polish, Korean, Nigerian, Italian and Hungarian Catholics, along with others from a variety of European, African and Asian countries.
- The following spiritual movements have brought new fervor and adult faith formation to the Diocese: the Neocatechumenal Way, Legion of Mary, Teams of Our Lady, Magnificat, Marriage Encounter, Walking with Purpose, Focolare, Communion and Liberation, Opus Dei, Cursillo, TEC, Knights of St Gregory, Knights of Malta, Knights of Holy Sepulchre, Knights of Columbus and Columbiettes, Emmaus Youth Retreats, Priestly Fraternity of St. Pius X, Regina Christi, TMIY (That Man is You!), Sons of St. Joseph, Third Orders of Dominicans, Franciscans, Carmelites, and Benedictines.
- The Diocese is blessed with 240 priests, 103 deacons, and 343 religious women and men in consecrated life who witness to Christ and serve in loving ministries, and a laity second to none in its generosity and record of faith. Last year we celebrated 4,343 Baptisms, 5,128 First Communions, 5,190 Confirmations and 2,614 Marriages that reflect a vibrant, living Catholic faith. Additionally, seven men were ordained to the priesthood, while 37 seminarians are discerning their vocations and

preparing for ministry. Since 2010, we have ordained 13 permanent deacons to our clergy family and we have also welcomed seven new religious communities who bring a deep faith and renewed vitality to the Diocese.

The practice of our faith is a work of grace that draws on the gifts and talents of every believer. In the work of the local Church, we continue to discover new ways to love God and serve one another.

Pastoral Services and Christian Formation

The Diocesan Office for Pastoral Services fosters, guides, and supports the endeavor of life-long formation in the teachings of Christ and all aspects of the Catholic Faith on both the parish and Diocesan levels. It evangelizes by providing catechesis for all ages by supporting and building up parish catechetical programs, youth and young adult ministries, adult formation, Christian Initiation, pro-life and family life activities, marriage preparation, and formation programs for teachers, catechists, catechetical leaders, and clergy.

- More than 36,000 children participate in the Religious Education programs in the 82 parishes throughout the Diocese. This great collaborative effort between the Diocese and its parishes teaches the Catholic faith to our young people and prepares the next generation of believers.
- The Adult Formation Ministry has significantly grown. In addition to providing support for the Rite of Christian Initiation of Adults process, the following ministries/opportunities now exist: Professionally recorded St. Cyril of Jerusalem Program available online, Diocesan partnership with Sacred Heart University entitled *S.H.A.R.E.*, numerous annual pilgrimages, *Train the Trainer* program for parish leaders, and classes to prepare adults for the Sacrament of Confirmation.
- Youth Ministry is flourishing in many parishes and schools. Growing numbers of young women and men participate in *Convivio* (an annual retreat that focuses on their personal relationship with Jesus), *World Youth Day* (every 2-3 years), an annual *Fan the Fire* youth rally at St. Rose of Lima Parish, mission trips to Peru and a highly successful *High School Apostles* leadership program for the youth.
- The Marriage and Family Ministry oversees the reinvigorated Marriage Preparation Program (650 couples were served in 2012). This ministry has expanded to offer outreach, catechesis and services to newly married couples, couples already married for a number of years, and those individuals who have experienced a divorce. In addition, our Episcopal Vicar for Hispanics oversees a growing Marriage Preparation Program in Spanish.
- The Ministry for People with Disabilities has received national attention for pioneering catechetical programs that catechize people with developmental disabilities: www.liturgy123.com and Sacraments123 (an iPad mobile app).
- The Respect Life Program has expanded to include an annual Diocesan trip to the *Pro-Life March*, the annual *Respect Life Mass*, *Project Rachel* (that provides numerous confidential services to woman and

men who have suffered through an abortion), *Days of Hope and Healing*, and the *40 Days for Lifecampaign*.

- The Annual Diocesan Lenten Confessional Campaign has successfully welcomed back thousands of people to the Sacrament of Penance and Reconciliation over the last several years. This past Lent, the U. S. Bishops encouraged all Dioceses to offer similar campaigns and highlighted the Diocese of Bridgeport program as a model to follow.

Communications

The Diocese of Bridgeport is committed to bringing the Good News of the Gospel to Fairfield County through the use of print, electronic and social media. Its many publications and online efforts inform, evangelize and educate, while helping to build support and resources for the local Church.

- The Diocesan newspaper, *Fairfield County Catholic*, continues to thrive with a circulation of over 100,000, making it the largest newspaper in the state, mailed free of charge every month.
- The Diocesan website records almost 20,000 visits each month and offers timely and detailed information. Usage continues to grow, making the website an impressive and effective way to get the message of the Church out, particularly to our young people. We are committed as a Diocese to stay ahead of the changes in communication that mark our modern life, in service of the Gospel.
- The Diocese has recently moved into social media with a lively Facebook page, a Youth Page, Twitter and an online newsletter sent to nearly 40,000 registered Catholics who have provided their emails.

Catholic Schools

Our schools continue to model Christ's example in every aspect of our learning environment, focusing on Gospel values and a strong educational foundation with Catholic identity as our priority. Our parishes continue to provide financial support to achieve our goals through an offertory contribution that has translated into an annual contribution of \$100,000 for each of the 25 elementary schools not located in Bridgeport. The Bridgeport Catholic Academies receive support from the Bridgeport parishes and other contributions specifically directed to these schools.

- Over 50% of our elementary schools have now met the criteria for "Blue Ribbon" status by the U.S. Department of Education, the highest national honor for any school. This puts our schools in the top 10% of public and private schools in the country. Our students in grades 3-8 at our Blue Ribbon schools rank in the top 15% of schools in the country in reading and math.
- In our five Diocesan Catholic high schools, average SAT scores in critical reading and writing are above state and national norms. The average percentage of our students scoring 600 or better in SAT mathematics and writing was higher than national norms. 99% of all our high school graduates continue on to post secondary education.

- Our schools continue to thrive, both academically and spiritually. Overall, our enrollment continues to increase across our schools as a whole, serving over 10,000 students in our 34 schools (28 elementary schools, our special needs school (St. Catherine Academy) and 5 high schools). Our commitment to serving inner-city students continues to be a priority. This fall, we opened the newly consolidated Cathedral Academy on two campuses in Bridgeport. The Catholic Academies of Bridgeport, including the Cathedral Academy, St. Ann and St Andrew, as well as several of our neighboring Catholic elementary schools, are serving over 1200 students from Bridgeport alone, more than half of whom benefit from financial assistance. St. Peter School in Danbury, whose students hail from diverse cultural backgrounds, continues to serve a growing international population in this city.
- Professional development of our teachers remains a priority, with programs held in conjunction with Fairfield University and Sacred Heart University.

Catholic Charities

Catholic Charities offers more than 30 programs across Fairfield County, serving thousands of needy and vulnerable of all backgrounds and faiths. The core services include nutrition, counseling, housing, family support, immigration services and adoption. Catholic Charities operates with a budget in excess of \$10.8M per year, with monies raised from various governmental and other grants, fee for services, fundraisers and other means of support, as well as a \$1.25M contribution from the Annual Bishop's Appeal.

- A broad range of nutrition activities includes six programs in Bridgeport, Stamford, and Danbury serving 1.5 million meals annually in soup kitchens, food pantries, the elderly in their homes and senior centers, as well as more than 200 meals daily to inner-city youth. We recently initiated an effort to provide fresh and nutritionally beneficial food in the past year.
- Individual and family mental health support services are available through three clinics that provide 15,000 clinical sessions annually. With a growing focus on children, we provide psychiatrists and psychologists in these clinics and in our schools. Catholic Charities is often the only help available to many of our most fragile clients. This service is and will continue to be available in especially difficult situations such as the Newtown tragedy. These much needed programs will be maintained in spite of shrinking financial support from government and private sources.
- Housing needs are one of the biggest challenges we face in Fairfield County but an increased focus on meeting these needs has resulted in the establishment of several facilities in Bridgeport and Stratford currently providing permanent and transitional housing for nearly 200 individuals and families.
- Family support services are an inherent part of all Catholic Charities programs but, in particular, our *Room to Grow* preschool program in Norwalk that serves 83, three to five year old children from families with limited resources. We hope to expand this very successful program in the near term.
- Immigration Support Services provides legal and lifestyle counseling to several hundred individuals and families regularly. We are certified by the Department of Justice and expect this welcoming activity will

continue to grow as immigration changes evolve with legislation on the horizon in the next few years.

- Catholic Charities' oldest service, the Adoption program, has been restructured as the number of children available for adoption has decreased. We currently offer pregnancy counseling and home studies across the County. In addition, we are one of only two Hague accredited agencies in the State, enhancing our ability to serve other agencies with, in particular, foreign adoptions.

As a follow up to this report, audited financial statements for Catholic Charities with commentary for the fiscal years ending June 30, 2009 through 2012 will be made available by January 31, 2014 on the Catholic Charities website.

Financial Issues

Among the significant issues presented in the accompanying Diocesan financial statements, which also warrant discussion here are the following:

Operating Deficits

As reflected in the Disaggregated Statement of Activities, net assets have declined each year for the three years reviewed in these statements. The primary causes for these operating deficits from ongoing activities are:

- The level of uncollectible amounts of reimbursable revenue intended to cover employee benefits and insurance program expenses, primarily from inner-city schools and parishes.
- Increasing cost of healthcare and benefits.
- Reduction of anticipated Annual Bishop's Appeal contributions.

The causes of the decline in net assets have been and continue to be addressed. Specifically, an inner-city school reorganization was implemented to generate the necessary funding to meet current obligations, including all employee benefits and insurance programs. Additionally, the Diocese is consistently reviewing benefits, both healthcare and other benefits, in order to provide adequate support to our employees yet maintain a manageable level of expense for the Diocese.

Through fostering participation in wellness, we partner with our employees to keep costs low and services reasonable. Finally, although the Annual Bishop's Appeal fell short of its goal this past year, this was not unexpected. Without a Bishop, fundraising efforts were challenging, but the Diocese anticipated this challenge and took measures to cut current payroll and benefit expenses, which will be reflected in future year's savings.

- Pension Plans and Retired Priest Healthcare Aided by the steady recovery of the investment market, the Diocesan Lay Pension Plan continues to recover from the losses it incurred in the 2008-2009 timeframe. However, for purposes of the presentation of the Diocesan financial statements and accompanying commentary found in the report, the long term financial obligations pertaining to the lay pension, priest pension and retired priests' healthcare have been segregated from the results of the Diocese's annual operations. By segregating these long-term obligations, you will see a much clearer

financial picture of the Diocese's operational position. While these long-term pension obligations continue to show a significant deficit, the Diocese fully expects to be able to meet all of its ongoing obligations to its former and retired employees under its pension plans. In addition to the condensed, disaggregated financial statements, the full, audited financial statements for the reporting periods of 2010, 2011 and 2012 are available for download on the [Diocesan website](#).

- **Sexual Abuse Cases**As is presented in the commentary accompanying the financial statements, settlements associated with sexual abuse cases have consistently decreased over the last several years. In the State of Connecticut, the statute of limitations allows claims to be brought up to 30 years beyond the complainant's 18th birthday. Despite this lengthy claims window, the Diocese continues to see a reduction in claims. Further, all of the current claims against the Diocese involve incidents allegedly occurring before 1985. All payments associated with these claims have been supported in full by the sale of Diocesan real estate assets. None of the monies collected by the Diocese from parishes or other fundraising efforts including the Annual Bishop's Appeal are used to pay settlement claims.
- **Faith in the Future Fund**The *Faith in the Future Fund* was created in 1995 when Bishop Edward M. Egan authorized a capital campaign to provide a source of endowed support for various ministries in the Diocese. While investment losses have prevented any income distributions from the Fund for the past several years, gradual recovery has positioned the Fund to resume distributing support to its respective beneficiaries beginning in 2014. As of December 2012, the *Faith in the Future Fund* had investments totaling more than \$17.3M, with an additional \$4.7M in funds due from the Diocese. Advances from *Faith in the Future Fund* were made to the Diocese in 2011 to support employee benefit insurance programs that a number of schools were unable to fund. Because these schools are now beginning to pay down these debts and other funds became available, a majority of the advanced funds received by the Diocese were repaid earlier in 2013. As of September 2013, *Faith in the Future Fund* had over \$21.1M in investments, with \$1.7M of additional funds due from the Diocese. The Diocese is committed to return in full as quickly as possible all the advanced sums it received to ensure future distributions out of the Fund. A complete, comprehensive financial report for the *Faith in the Future Fund* will be issued separately from this presentation by January 31, 2014.

Knights of ColumbusIn December 2011, the Diocese issued a promissory note to the Knights of Columbus for \$15M. The proceeds were used to repay in full a loan issued from another financial institution as well as reduce other long and short term payables. Terms of the note are as follows:

- Term of Loan: 20 years
- Interest Rate: 5% fixed
- Structure of Loan: 5 years interest-only payments with the remaining balance amortized over the remaining 15 year term
- Security: Certain properties owned by the Diocese, primarily vacant land (no parish or school properties included) If properties are sold, 75% of the net proceeds shall be used to pay the

principal balance, during 2013 a portion of the principal balance of the loan, \$2.7M was repaid from the sale of some of these properties.

In other financial matters, the Diocese continues to strengthen the financial services it provides for both our schools and our parishes. For our Diocesan elementary schools, our School Finance Department provides comprehensive assistance in the budgeting and accounting functions. In our parishes, the continued use of the basic policies and procedures established in the *Parish Administration & Finance Manual* has created a strong foundation for all parish finance activities. This year alone, our Parish Finance group assisted our parishes in recovering tax refunds of over \$300,000 associated with health care premiums paid by our parishes on behalf of their employees as small business employers.

The summary financial statements that follow were derived from the complete financial statements prepared by EisnerAmperLLC, an independent certified public accounting firm. The complete audited financial statements, including an unqualified (clean) opinion) for the same period are available for download on the [Diocesan website](#).