Consolidated Financial Statements and
Supplementary Information Together With
Report of Independent Certified Public Accountants

THE BRIDGEPORT ROMAN CATHOLIC DIOCESAN CORPORATION AND AFFILIATE

June 30, 2017

THE BRIDGEPORT ROMAN CATHOLIC DIOCESAN CORPORATION AND AFFILIATE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated financial statements of The Bridgeport Roman Catholic Diocesan Corporation and Affiliate (collectively, the "Diocese") which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities and cash flows for the year 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 audit. We conducted our audit 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 consolidated financial position of The Bridgeport Roman Catholic Diocesan Corporation and Affiliate as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3, the net assets as of June 30, 2016 have been restated in connection with a correction of an error related to the accounting of the Bridgeport Diocesan Pension Plan. Our opinion is not modified with respect to this matter.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as of and for the year ended June 30, 2017 taken as a whole. The consolidating schedule of financial position as of June 30, 2017 and consolidating schedule of activities and consolidated schedule of functional expenses for the year ended June 30, 2017, 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 audit 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.

Grant Thornton LLP

New York, New York
December 31, 2017

THE BRIDGEPORT ROMAN CATHOLIC DIOCESAN CORPORATION AND AFFILIATE
Consolidated Statement of Financial Position
As of June 30, 2017

ASSETS		
Cash and cash equivalents		$ 20,463,577
Restricted cash		336,494
Property held for sale		67,635
Cemeteries and other accounts receivable		1,389,480
Due from related Diocesan entities, net		1,465,836
Prepaid expenses and other assets		541,699
Contributions receivable, net		1,816,776
Insurance recoveries receivable		335,085
Notes receivable, net		1,783,431
Investments, at fair value		7,608,215
Cemetery inventory		2,588,882
Beneficial interest in trust held by other		472,867
Beneficial interest in assets held by Faith in the Future		9,762,756
Property, buildings and equipment, net		38,518,091
Total assets		$ 87,150,824
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses		$ 2,678,207
Special collection payable		336,494
Self-insurance claims and deductible amounts payable		2,856,029
Deferred revenue		526,566
Refundable advances - Cemeteries operations		413,527
Due to related Diocesan entities		1,343,031
Note payable		8,213,905
Deferred revenue - life use fees		3,246,265
Conditional asset retirement obligations		6,109,841
Pension and other postretirement benefit assets	$ 16,792,890	
Pension and other postretirement benefit obligations	(35,205,934)	
Net pension and other postretirement benefit obligations		18,413,044
Total liabilities		44,136,909
Contingencies		
NET ASSETS		
Unrestricted		28,548,129
Temporarily restricted		4,230,163
Permanently restricted		10,235,623
Total net assets		43,013,915
Total liabilities and net assets		$ 87,150,824

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, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, SUPPORT AND OTHER CHANGES				
Annual Catholic Appeal	$ 10,844,758	$ 553,398	$ -	$ 11,398,156
Contributions and bequests	1,458,332	215,737	-	1,674,069
Cathedraticum from parishes	6,433,568	-	-	6,433,568
Employee benefit and insurance programs	15,998,512	-	-	15,998,512
Cemeteries operations	5,727,556	-	-	5,727,556
Rental income	1,555,276	-	-	1,555,276
Reimbursement revenue	414,042	-	-	414,042
Advertising	324,429	-	-	324,429
Program fees	152,430	-	-	152,430
Investment income used in operations	68,035	-	-	68,035
Other operating revenues	844,876	-	-	844,876
Net assets released from restrictions	3,295,148	(3,295,148)	-	-
Total revenues, support and other changes	47,116,962	(2,526,013)	-	44,590,949
EXPENSES				
Programs	15,604,667	-	-	15,604,667
Employee benefit and insurance programs	17,248,628	-	-	17,248,628
Cemeteries operations	3,157,561	-	-	3,157,561
Teresian Towers and Carmel Ridge Estates	901,605	-	-	901,605
Management and general	4,463,922	-	-	4,463,922
Stewardship and development	1,152,858	-	-	1,152,858
Total expenses	42,529,241	-	-	42,529,241
Income (loss) from operations before depreciation and accretion	4,587,721	(2,526,013)	-	2,061,708
Depreciation and accretion	(1,771,605)	-	-	(1,771,605)
Income (loss) from operations before nonoperating activities	2,816,116	(2,526,013)	-	290,103
NONOPERATING ACTIVITIES				
Pension related-activity other than net periodic benefit cost	4,226,527	-	-	4,226,527
Change in value of beneficial interest in Faith in the Future, Inc. and third party trust	-	-	1,021,050	1,021,050
Transfer of endowment to Faith in the Future, Inc.	-	(104,174)	(437,404)	(541,578)
Investment income, net	472,381	24,115	-	496,496
Insurance proceeds	439,444	-	-	439,444
Gain on sale of fixed assets	5,500	-	-	5,500
(Bad debt) expense and recoveries, net	416,211	-	-	416,211
Contributions to support school closings	(580,000)	-	-	(580,000)
Miscellaneous non-operating expenses	(257,377)	-	-	(257,377)
Change in net assets	7,538,802	(2,606,072)	583,646	5,516,376
Net (deficit) assets - beginning of year, as previously stated	(86,411,117)	6,836,235	9,651,977	(69,922,905)
Adjustment to opening net assets (Note 3)	107,420,444	-	-	107,420,444
Net assets - end of year	$ 28,548,129	$ 4,230,163	$ 10,235,623	$ 43,013,915

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

THE BRIDGEPORT ROMAN CATHOLIC DIOCESAN CORPORATION AND AFFILIATE

Consolidated Statement of Cash Flows

For the year ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 5,516,376
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and accretion	1,771,605
Gain on sale of fixed assets	(5,500)
Change in fair value of beneficial interests	(1,021,050)
Recovery of bad debt, net	(416,211)
Net appreciation in fair value of investments	(339,804)
(Increase) decrease in assets	
Cemeteries and other accounts receivable	(444,778)
Prepaid expenses and other assets	302,054
Insurance recoveries receivable	178,251
Contributions receivable	1,036,102
Cemetery inventory	236,684
Due from related Diocesan entities	(909,057)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	7,790
Special collection payable	(302,075)
Self-insurance claims and deductible amounts payable	(343,647)
Deferred revenue	115,655
Refundable advances - Cemeteries operations	38,478
Due to related Diocesan entities	(1,209,203)
Deferred revenue - life use fees	262,759
Obligations due under split-interest agreements	(329,689)
Pension and other postretirement benefit obligations	(3,300,870)
Net cash provided by operating activities	843,870
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(1,876,428)
Proceeds from sales of investments	2,760,980
Purchases of property and equipment	(1,757,685)
Proceeds from sales of property	939,243
Repayment received on note receivable	886,524
Net cash provided by investing activities	952,634
CASH FLOWS FROM FINANCING ACTIVITIES	
Change in restricted cash	302,075
Principal payments on notes payable	(103,000)
Net cash provided by financing activities	199,075
Net increase in cash and cash equivalents	1,995,579
Cash and cash equivalents - beginning of year	18,467,998
Cash and cash equivalents - end of year	$ 20,463,577
SUPPLEMENTARY INFORMATION	
Cash paid for interest on indebtedness	$ 370,353

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

1. ORGANIZATION

The Bridgeport Roman Catholic Diocesan Corporation ("BRCDC") is a Connecticut not-for-profit, religious non-stock corporation formed in 1953 serving more than 460,000 registered Catholics in Fairfield County. BRCDC'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.

BRCDC relies principally on contributions received through the Annual Catholic Appeal, fundraising efforts and the Fairfield County Catholic operations to support the mission related services BRCDC provides. Cathedraticum from parishes together with residual Catholic cemeteries revenues support the administration and general activities of BRCDC. In addition, BRCDC 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 BRCDC and other Diocesan entities and their employees. The other Diocesan entities are responsible for their respective portions of the cost of these programs.

BRCDC programs include the St. John Fisher Seminary (see subsequent events in Note 17), The Catherine Dennis Keefe Queen of Clergy retirement home for Diocesan Priests, the Newman Center at Western Connecticut State University, and 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. BRCDC 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 BRCDC, 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 BRCDC.

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.

- 82 parishes and one shrine
- 20 elementary schools, one middle school and five high schools
- Bridgeport Diocesan Schools Corporation
- Catholic School Properties Fairfield County, Inc.
- Faith in the Future Fund, Inc. ("Faith in the Future")
- Foundations in Education, 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")
- Six government-subsidized Augustana (Bishop Curtis) Homes, homes for the elderly

- Bridgeport Diocesan Healthcare Properties, Inc. which is the sole member of Saint Joseph Properties LLC, The Blessed Pope John Paul II Properties LLC and St. Camillus Properties, LLC, owners of land on which previously owned nursing homes are located
- Inner-City Foundation for Charity and Education, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying 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 BRCDC, 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:

Unrestricted Net Assets **-** consist of resources available for the general support of the Diocese's operations. Unrestricted net assets may be used at the discretion of management and the Bishop of the Roman Catholic Diocese of Bridgeport.

Temporarily Restricted Net Assets **-** net assets subject to donor-imposed stipulations 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, temporarily restricted net assets are reclassified to unrestricted net assets. However, when restrictions on donor-restricted contributions and investment return are met in the same accounting period, such amounts are reported as part of unrestricted net assets.

Permanently Restricted Net Assets **-** 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. Income and gains earned on endowment fund investments are available to be used for expenditures according to restrictions imposed by the donors. As of June 30, 2017, the Diocese's permanently restricted net assets consist of their beneficial interest in a perpetual trust held by others of $472,867 and beneficial interest in assets held by Faith in the Future of $9,762,756 (see Note 9).

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.

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 Financial Accounting Standards Board ("FASB") Topic 820, under the FASB Accounting Standards Codification ("ASC") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard 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.

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.

Split-Interest Agreement

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 permanently restricted changes in value in beneficial interests on the statement of activities. At June 30, 2017, the balance of the Diocese's beneficial interest in a perpetual trust is $472,867 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 temporarily restricted investment income.

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 year ended June 30, 2017:

	Beneficial Interest in Trust Held By Others
Balance - beginning of year	$ 448,188
Distributions	(23,885)
Change in fair value of beneficial interest in trust	48,564
Balance - end of year	$ 472,867

Property, Buildings and Equipment

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

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

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

Contributions

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give in greater than 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 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.

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.

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. Revenues from these sales are recognized upon the date of sale. 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 provide revenue 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.

Deferred Revenue

Funds that are received from related entities in advance for medical insurance premiums for future periods are reflected as deferred revenue on the consolidated statement of financial position and are subsequently reflected in the consolidated statement 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.

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, 2017, the CARO liability totaled $6,109,841. For the year ended June 30, 2017, accretion of interest related to these obligations totaled $244,574. Additionally, as of June 30, 2017, included in buildings and improvements are capitalized conditional asset retirement obligations at a cost of $264,499 and accumulated depreciation of $229,371.

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. 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 statement 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 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 accompanying 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, and deferred revenue associated with residence life use fees, provision for operating accruals and the collectability of amounts due from related Diocesan entities and contributions receivable. Actual results could differ from those estimates.

Concentration of Market and Credit Risks

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

Income Taxes

The Diocese recognizes an individual tax position in its consolidated financial statements based upon whether the tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Diocese has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and, to review other matters that may be considered tax positions. As of June 30, 2017, 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 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.

3. RESTATEMENT

During fiscal year 2017, BRCDC determined that its participation in the Bridgeport Diocesan Pension Plan (the" Lay Plan"), that was previously presented and accounted for as a single-employer plan, qualifies for treatment as a multi-employer plan under US GAAP which only requires BRCDC to recognize its annual pension expense on its consolidated financial statements.

Accordingly, an adjustment has been recorded to the net assets as of June 30, 2016, to remove the unfunded Lay Plan obligation. The effect of this adjustment is summarized below:

Net deficit - beginning of year, as previously stated	$ (69,922,905)
To adjust opening net deficit to remove Lay Plan obligation and related receivables	(107,420,444)
Net assets - beginning of year, as restated	$ 37,497,539

4. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, consist of the following unconditional promises to give at June 30, 2017:

Amounts expected to be collected in:	
Less than one year	$ 1,854,526
One to four years	112,250
	1,966,776
Less: Provision for doubtful accounts	(150,000)
	$ 1,816,776

As of June 30, 2017, the Diocese has received notification of certain intentions to give. However, due to their conditional nature, these gifts have not been reflected on the accompanying financial statements.

5. NOTES RECEIVABLE, NET

During November 2013, the Diocese sold approximately 45 acres of land located in Easton, Connecticut for $1,750,000. The sales agreement required the Diocese to issue a mortgage note to the borrower for $1,550,000, which matures in November 2016. Monthly principal payments of $25,000 plus interest at 2% were due during 2013 and 2014. Thereafter, monthly principal payments of $20,000 plus interest at 2% were due until November 2016, at which time the note receivable matured and a balloon payment of $790,000 was due. The note was secured by a security interest in real property located in Easton, Connecticut. During fiscal 2017, the Diocese received the remaining balance of $886,524.

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, 2017.

During October 2016, the Diocese received a note receivable from a parish totaling $33,750 for short term cash flow needs. This note is non-interest bearing, due on demand and unsecured. The outstanding balance on this note receivable is $33,750 as of June 30, 2017. This note was paid in full subsequent to year end during August 2017.

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, 2017 totaled $1,406,204, net of a discount for present value of $341,761 (discount rate of 3.31%).

6. DUE FROM RELATED DIOCESAN ENTITIES, NET

Due from related Diocesan entities, net, consists of the following at June 30, 2017:

Parishes	$ 6,215,322
Schools	8,537,477
Other	467,872
	15,220,671
Less: Provision for doubtful accounts	(13,754,835)
	$ 1,465,836

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 Cathedraticum, employee benefits, insurance premiums, pension premiums as well as advances made to such entities that are in financial need.

7. INVESTMENTS, AT FAIR VALUE

As of June 30, 2017, investments, at fair value, by fair value hierarchy level, consist of the following:

Description	Level 1	Level 3	Total
Money market funds	$ 1,443,522	$ -	$ 1,443,522
Common stocks	188,235	-	188,235
Equity mutual funds	4,023,746	-	4,023,746
Bond mutual funds	1,538,851	-	1,538,851
Catholic Umbrella Pool	-	413,861	413,861
Total investments, at fair value	$ 7,194,354	$ 413,861	$ 7,608,215

The following table summarizes the changes in the Diocese's Level 3 investments for the year ended June 30, 2017:

	Catholic Umbrella Pool
Balance - beginning of year	$ 416,505
Net appreciation of investments	88,694
Distributions	(91,338)
Balance - end of year	$ 413,861

Investment income, net, consists of the following for the year ended June 30, 2017:

Interest and dividends	$ 239,920
Net appreciation in fair value of investments	339,804
Investment fees	(15,193)
Investment income, net	$ 564,531
Investment income used in operations	$ 68,035
Investment income, net - nonoperating	496,496
Investment income, net	$ 564,531

8. PROPERTY, BUILDINGS AND EQUIPMENT, NET

Property, buildings and equipment, net, consist of the following at June 30, 2017:

Furniture and fixtures	$ 2,789,310
Vehicles, computers and other equipment	3,949,399
Buildings and improvements	62,709,807
	69,448,516
Less: Accumulated depreciation	(49,422,215)
	20,026,301
Construction in progress	162,141
Land improvements	1,760,158
Land	16,569,491
Property, buildings and and equipment, net	$ 38,518,091

Certain land and buildings owned by the Diocese, with a net book value of $14,517,356 at June 30, 2017, are made available to Diocesan high schools, elementary schools and the middle school for their use, free of rent. In addition, land and buildings owned by the Diocese with a net book value of $890,321 at June 30, 2017 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 $339,000 for 2017. The tuition credits are utilized by teachers in Diocesan schools seeking advanced degrees and by Diocesan seminarians seeking undergraduate degrees or individual courses.

In January 2015, the Diocese entered into an agreement to sell a vacant land property located in Shelton, CT for $650,000. The sale closed in August 2016.

9. BENEFICIAL INTEREST IN ASSETS HELD BY FAITH IN THE FUTURE

Faith in the Future, a related Diocesan entity, is a Connecticut nonprofit, non-stock corporation formed in February 1996. Faith in the Future was established to raise, manage and disburse funds raised by the Faith in the Future 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 which benefit Diocesan regional high schools, elementary schools and BRCDC. Faith in the Future and BRCDC 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 BRCDC is the beneficiary of certain endowment funds held by Faith in the Future. Accordingly, BRCDC records its respective interest in the assets of Faith in the Future and the change in its interest using a method similar to the equity method of accounting. During fiscal 2017, the Diocese transferred its remaining endowment assets of $541,578 to Faith in the Future where such endowment funds will be maintained and managed. As of June 30, 2017, BRCDC has recorded a beneficial interest in assets held by Faith in the Future (which include the endowment funds transferred during the period) of $9,762,756 on the accompanying consolidated statement of financial position.

10. DUE TO RELATED DIOCESAN ENTITIES

Amounts due to related Diocesan entities consist of the following at June 30, 2017:

Catholic Charities	$ 415,202
Foundations in Education, Inc.	489,295
The Catholic Academy of Bridgeport Inc.	79,637
Other related entities	358,897
	$ 1,343,031

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 original loan agreement, monthly payments of interest only (at 5% per annum) were payable through December 2016. Monthly payments of principal and interest would commence in January 2017 and continue through the maturity date on December 1, 2031. In January 2016, the loan was amended which reduced the interest rate to 4.49% per annum, extended the interest only payment period for one year (i.e. through December 2017) and released certain assets previously held as collateral for the loan agreement. As of June 30, 2017, the outstanding balance under the loan totaled $8,213,905.

Scheduled payments due on notes payable at June 30, 2017 are as follows:

2018	$ 213,412
2019	441,442
2020	461,676
2021	482,837
2022	504,968
Thereafter	6,109,570
Total	$ 8,213,905

12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or time at June 30, 2017:

Purpose restrictions	
Queen of Clergy priest expansion	$ 114,853
St. John Fisher Seminary capital improvements and other	987,782
Education grants	143,996
Diocesan programs	600,007
Newman Center - ministry programs	145,112
World Youth Day	45,100
Social media	102,075
Catholic Leadership Institute	126,503
Other	147,959
Total purpose restrictions	2,413,387
Time restrictions	
Contributions receivable	1,816,776
Total temporarily restricted net assets	$ 4,230,163

Net assets were released from restrictions by incurring expenses satisfying the following purpose or time restrictions for the year ended June 30, 2017:

Purpose restrictions	$ 2,526,225
Time restrictions	768,923
Total net assets released from restrictions	$ 3,295,148

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 year ended June 30, 2017 amounted to approximately $325,000 and is expected to approximate $344,000 for the year ended June 30, 2018.

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

At June 30, 2017, the date of the most recent valuation, the Lay Plan's projected benefit obligation exceeded the fair value of its assets by approximately $96 million (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 has been increased from time to time, most recently effective January 1, 2015, to increase the monthly retirement benefit from $1,900 to $2,000 for all active and retired priests. Plan assets are held by a third-party trustee.

The following tables provide a reconciliation of the changes in the Priest Plan's funded status to the benefit obligation recorded in the consolidated statement of financial position at June 30, 2017:

Change in projected benefit obligation	
Projected benefit obligation at beginning of year	$ 24,846,097
Service cost	542,734
Interest cost	940,729
Actuarial gain	(1,937,607)
Benefits paid	(1,449,670)
Projected benefit obligation at end of year	$ 22,942,283

Change in fair value of plan assets	
Fair value of plan assets at beginning of year	$ 15,931,198
Actual return on plan assets	1,690,746
Benefits paid	(1,449,670)
Plan sponsor contributions	620,616
Fair value of plan assets at end of year	$ 16,792,890
Unfunded status (liability)	$ (6,149,393)
Accumulated benefit obligation	$ 22,942,283

Cumulative amounts recognized in changes in unrestricted net assets and not yet recognized in net periodic benefit cost as of June 30, 2017 consist of:

Net loss	$ 4,034,026
Unrecognized prior service cost	1,329,511
	$ 5,363,537

Net periodic benefit cost for the Priest Plan includes the following components during the year ended June 30, 2017:

Service cost	$ 542,734
Interest cost	940,729
Expected return on plan assets	(1,008,584)
Amortization of unrecognized prior service cost	114,651
Amortization of unrecognized net loss	250,853
Net periodic benefit cost	$ 840,383

Amounts recognized in changes in unrestricted net assets for the year ended June 30, 2017 consist of:

Net gain	$ (2,619,769)
Amortization of unrecognized net loss	(250,853)
Amortization of unrecognized prior service cost	(114,651)
Pension related-activity other than net periodic benefit cost	$ (2,985,273)

The estimated actuarial loss and unrecognized prior service cost that will be amortized into net periodic benefit cost during the fiscal year ending June 30, 2018 is $95,751 and $114,651, respectively.

Assumptions

Weighted-average assumptions used to determine the benefit obligation at June 30, 2017 are as follows:

Discount rate	4.20%
Rate of compensation increase	N/A

Weighted-average assumptions used to determine net periodic benefit cost for the year ended June 30, 2017 are as follows:

Discount rate	3.90%
Expected long-term return on plan assets	6.50%
Rate of compensation increase	N/A

Contributions

The Diocese expects to contribute approximately $651,000 to the Priest Plan during the fiscal year ending June 30, 2018.

Estimated Future Benefit Payments

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

Year ending June 30,	
2018	$ 1,508,267
2019	1,540,121
2020	1,565,525
2021	1,545,918
2022	1,508,046
2023 to 2027	7,076,868

Plan Assets

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

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

Asset Class	Minimum	Target	Maximum
Equities	45.00%	64.00%	80.00%
Fixed income	14.00%	20.00%	50.00%
Cash equivalents	0.00%	2.00%	20.00%
Absolute return	0.00%	4.00%	30.00%
Real assets	0.00%	10.00%	15.00%

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, 2017, the Diocese's Priest Plan assets, that are classified as Level 1 within the fair value hierarchy, consist of the following:

Description	Total
Cash equivalents	$ 1,579,921
Common stocks	4,604,598
Equity mutual funds	3,442,969
Multi-strategy mutual funds	972,854
Exchange traded funds	2,432,407
Bond mutual funds	3,478,700
Corporate and government bonds	281,441
	$ 16,792,890

The Diocese's pension plan weighted-average asset allocations at June 30, 2017 by asset category follows:

Common stocks	27.00	%
Bond mutual funds	21.00	
Equity mutual funds	21.00	
Exchange traded funds	14.00	
Multi-strategy mutual funds	6.00	
Cash equivalents	9.00	
Other	2.00	
Total	100.00	%

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 $124,345 determined using a discount rate of 4.2% at June 30, 2017 and is included in pension and other postretirement benefit obligations in the accompanying consolidated statement of financial position. Pension payments were approximately $62,000 for the year ended June 30, 2017. The obligation is unfunded. The actuarial gain together with interest on this obligation is recorded as a reduction of other pension expense for priests and totaled $67,502 for the year ended June 30, 2017.

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 $256,000 for the year ended June 30, 2017.

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.

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 statement of financial position at June 30, 2017:

Change in projected benefit obligation	
Accumulated benefit obligation at beginning of year	$ 12,607,123
Service cost	385,102
Interest cost	497,568
Actuarial gain	(886,899)
Benefits paid	(463,588)
Accumulated benefit obligation at end of year	$ 12,139,306

Cumulative amounts recognized in changes in unrestricted net assets and not yet recognized in net periodic benefit cost as of June 30, 2017 consist of:

Net loss	$ 2,696,261
Transition obligation	1,365,000
Prior service cost	249,000
	$ 4,310,261

Net periodic benefit cost for the priest postretirement medical and dental plan includes the following components during the year ended June 30, 2017:

Service cost	$ 385,102
Interest cost	497,568
Amortization of actuarial loss	123,355
Amortization of transition obligation	195,000
Amortization of prior service cost	36,000
Net periodic benefit cost	$ 1,237,025

Amounts recognized in changes in unrestricted net assets for the year ended June 30, 2017 consist of:

Actuarial gain	$ (886,899)
Amortization of actuarial loss	(123,355)
Amortization of transition obligation	(195,000)
Amortization of prior service cost	(36,000)
Pension related-activity other than net periodic benefit cost	$ (1,241,254)

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 $69,822, $195,000 and $36,000, respectively.

Assumptions

Weighted-average assumptions used to determine the benefit obligation at June 30, 2017 are as follows:

Discount rate	3.82%
Health-cost trend rate assumed for next year	6.00%
Ultimate health-care cost trend rate	5.00%
Year ultimate health-care cost trend rate is achieved	2019

Weighted-average assumptions used to determine net periodic benefit cost for the year ended June 30, 2017 are as follows:

Discount rate	3.90%
Health-care cost trend rate assumed for next year	6.50%
Ultimate health-care cost trend rate	5.00%

As of and for the year ended June 30, 2017, the effect of a 1% change in the health care cost trend rate is as follows:

	1% Increase	1% Decrease
Effect on net periodic benefit cost	$ 234,761	$ (169,783)
Effect on accumulated benefit obligation	2,342,208	(1,805,732)

Estimated Future Benefit Payments

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

Year ending June 30,	
2018	$ 475,588
2019	482,998
2020	495,104
2021	506,175
2022	505,976
2023 to 2027	2,692,948

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.

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 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, 2017, the aggregate balances outstanding on these loans, which the Diocese has guaranteed, approximated $5,815,000. 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, 2017.

17. SUBSEQUENT EVENTS

The Diocese evaluated its June 30, 2017 consolidated financial statements for subsequent events through December 31, 2017, the date the consolidated financial statements were available to be issued. Except as disclosed below and in Note 5, the Diocese is not aware of any material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

On August 1, 2017, the Diocese established a separate independent legal entity, St. John Fischer Seminary Inc., for the facilities operations of St. John Fisher Seminary governed by an independent board. The Diocese continues to own the property and buildings housing the seminary and will continue to support these operations by allocating annual contributions for support.

SUPPLEMENTARY INFORMATION

THE BRIDGEPORT ROMAN CATHOLIC DIOCESAN CORPORATION AND AFFILIATE

Consolidating Schedule of Financial Position

As of June 30, 2017

	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	$ 14,030,682	$ 4,466,874	$ 273,359	$ 1,692,662	$ -	$ -	$ 20,463,577
Restricted cash	336,494	-	-	-	-	-	336,494
Property held for sale	67,635	-	-	-	-	-	67,635
Cemeteries and other accounts receivable	518,584	-	404,643	466,253	-	-	1,389,480
Due from related Diocesan entities, net	665,627	953,183	-	-	-	(152,974)	1,465,836
Prepaid expenses and other assets	437,030	65,318	-	39,351	-	-	541,699
Contributions receivable, net	1,816,776	-	-	-	-	-	1,816,776
Insurance recoveries receivable	-	335,085	-	-	-	-	335,085
Notes receivable, net	1,783,431	-	-	-	-	-	1,783,431
Investments, at fair value	596,861	416,334	6,595,020	-	-	-	7,608,215
Cemetery inventory	-	-	2,588,882	-	-	-	2,588,882
Beneficial interest in trust held by others	472,867	-	-	-	-	-	472,867
Beneficial interest in assets held by Faith in the Future	9,762,756	-	-	-	-	-	9,762,756
Property, buildings and equipment, net	28,211,369	-	8,553,209	1,203,224	550,289	-	38,518,091
Due from funds	19,763,956	4,252,967	17,938,707	-	-	(41,955,630)	-
Total assets	$ 78,464,068	$ 10,489,761	$ 36,353,820	$ 3,401,490	$ 550,289	$ (42,108,604)	$ 87,150,824
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts payable and accrued expenses	$ 1,671,714	$ 367,287	$ 607,250	$ 184,930	$ -	$ (152,974)	$ 2,678,207
Special collection payable	336,494	-	-	-	-	-	336,494
Self-insurance claims and deductible amounts payable	-	2,856,029	-	-	-	-	2,856,029
Deferred revenue	-	526,566	-	-	-	-	526,566
Refundable advances - Cemeteries	-	-	413,527	-	-	-	413,527
Due to related Diocesan entities	1,343,031	-	-	-	-	-	1,343,031
Notes payable	8,213,905	-	-	-	-	-	8,213,905
Deferred revenue - life use fees	-	-	-	3,246,265	-	-	3,246,265
Conditional asset retirement obligations	6,011,112	-	-	-	98,729	-	6,109,841
Net pension and other postretirement benefit obligations	-	18,413,044	-	-	-	-	18,413,044
Due to funds	18,479,214	23,476,416	-	-	-	(41,955,630)	-
Total liabilities	36,055,470	45,639,342	1,020,777	3,431,195	98,729	(42,108,604)	44,136,909
Contingencies							
NET ASSETS (DEFICIT)							
Unrestricted	27,942,812	(35,149,581)	35,333,043	(29,705)	451,560	-	28,548,129
Temporarily restricted	4,230,163	-	-	-	-	-	4,230,163
Permanently restricted	10,235,623	-	-	-	-	-	10,235,623
Total net assets (deficit)	42,408,598	(35,149,581)	35,333,043	(29,705)	451,560	-	43,013,915
Total liabilities and net assets (deficit)	$ 78,464,068	$ 10,489,761	$ 36,353,820	$ 3,401,490	$ 550,289	$ (42,108,604)	$ 87,150,824

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, 2017

	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	$ 11,398,156	$ -	$ -	$ -	$ -	$ -	$ 11,398,156
Contributions and bequests	1,674,069	-	-	-	-	-	1,674,069
Cathedraticum from parishes	6,433,568	-	-	-	-	-	6,433,568
Employee benefit and insurance programs	-	18,775,808	-	-	-	(2,777,296)	15,998,512
Cemeteries operations	1,604,972	-	5,727,556	-	-	(1,604,972)	5,727,556
Rental income	298,798	-	-	1,256,478	-	-	1,555,276
Reimbursement revenue	454,089	-	-	-	-	(40,047)	414,042
Advertising	324,429	-	-	-	-	-	324,429
Program fees	152,430	-	-	-	-	-	152,430
Investment income used for operations	68,035	-	-	-	-	-	68,035
Other operating revenues	777,585	-	-	67,291	-	-	844,876
Total revenues, support and other changes	23,186,131	18,775,808	5,727,556	1,323,769	-	(4,422,315)	44,590,949
EXPENSES							
Programs	17,558,768	-	-	-	-	(1,954,101)	15,604,667
Employee benefit and insurance programs	-	17,248,628	-	-	-	-	17,248,628
Cemeteries operations	-	-	5,625,775	-	-	(2,468,214)	3,157,561
Teresian Towers and Carmel Ridge Estates	-	-	-	901,605	-	-	901,605
Management and general	4,463,922	-	-	-	-	-	4,463,922
Stewardship and development	1,152,858	-	-	-	-	-	1,152,858
Total expenses	23,175,548	17,248,628	5,625,775	901,605	-	(4,422,315)	42,529,241
Income from operations before depreciation and accretion	10,583	1,527,180	101,781	422,164	-	-	2,061,708
Depreciation and accretion	(1,154,577)	-	(283,574)	(314,250)	(19,204)	-	(1,771,605)
Income (loss) from operations before nonoperating activities	(1,143,994)	1,527,180	(181,793)	107,914	(19,204)	-	290,103
NONOPERATING ACTIVITIES							
Pension related-activity other than net periodic benefit cost	-	4,226,527	-	-	-	-	4,226,527
Change in value of beneficial interest in Faith in the Future, Inc. and third party trust	1,021,050	-	-	-	-	-	1,021,050
Transfer of endowment funds to Faith in the Future, Inc.	(541,578)	-	-	-	-	-	(541,578)
Investment income, net	69,956	94,469	328,562	3,509	-	-	496,496
Insurance proceeds	-	435,502	3,942	-	-	-	439,444
Gain on sale of assets	-		5,500	-	-	-	5,500
(Bad debt) expense and recoveries, net	(1,943,361)	2,359,572	-	-	-	-	416,211
Contributions to support school closings	(580,000)	-	-	-	-	-	(580,000)
Miscellaneous non-operating expenses	(257,377)	-	-	-	-	-	(257,377)
Change in net assets	(3,375,304)	8,643,250	156,211	111,423	(19,204)	-	5,516,376
Net assets (deficit) - beginning of year, as previously stated	45,783,902	(151,213,275)	35,176,832	(141,128)	470,764	-	(69,922,905)
Adjustment to opening net assets (Note 3)	-	107,420,444	-	-	-	-	107,420,444
Net assets - end of year	$ 42,408,598	$ (35,149,581)	$ 35,333,043	$ (29,705)	$ 451,560	$ -	$ 43,013,915

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
Consolidated Schedule of Functional Expenses
For the year ended June 30, 2017

	Pastoral Services of the Bishop*	Religious Personnel Services (includes Queen of Clergy)	Catholic Education and Faith Formation	Pastoral and Human Services	Vocations and St John Fisher Seminary	Communications and Social Media	Other Program Support	Total Programs	Employee Benefits and Insurance Programs	Cemeteries Operations	Teresian Towers and Carmel Ridge Estates	St. Joseph High School Properties LLC	Management and General	Stewardship and Development	Total
Personnel costs - lay	$ 508,664	$ 723,574	$ 939,717	$ 154,345	$ 201,327	$ 339,592	$ -	$ 2,867,219	$ -	$ 1,505,618	$ -	$ -	$ 2,412,693	$ 453,348	$ 7,238,878
Personnel costs - religious	166,993	522,946	152,986	817,491	765,557	-	-	2,425,973	-	-	-	-	146,864	-	2,572,837
Total personnel costs	675,657	1,246,520	1,092,703	971,836	966,884	339,592	-	5,293,192	-	1,505,618	-	-	2,559,557	453,348	9,811,715
Insurance	26,006	167,565	9,851	61,679	34,970	531	-	300,602	16,581,164	434,187	-	-	63,213	726	17,379,892
Grants and contributions	-	-	-	-	-	-	6,693,993	6,693,993	-	-	-	-	-	-	6,693,993
Professional fees	266,475	45,393	204,778	469	47,898	209,891	-	774,904	629,375	143,315	-	-	512,574	157,380	2,217,548
Operations	-	-	-	-	-	-	-	-	-	827,901	901,605	-	-	-	1,729,506
Occupancy	159,024	386,292	47,019	11,121	122,313	2,087	-	727,856	-	178,235	-	-	609,107	2,178	1,517,376
Dues, fees and memberships	237,218	2,771	129,445	11,913	12,625	3,391	-	397,363	25,375	2,019	-	-	19,501	26,573	470,831
Office	23,597	17,429	37,427	5,140	11,351	10,895	-	105,839	12,714	25,477	-	-	219,534	163,382	526,946
Printing	17,123	4,027	6,459	259	4,625	242,400	-	274,893	-	-	-	-	3,794	234,811	513,498
Interest	-	-	-	-	-	-	-	-	-	-	-	-	370,353	-	370,353
Travel and seminars	95,748	17,397	515,333	3,546	77,368	2,057	-	711,449	-	-	-	-	41,541	8,752	761,742
Postage	8,543	2,153	2,402	513	5,044	150,176	-	168,831	-	26,449	-	-	11,723	104,857	311,860
Miscellaneous	45,172	20,128	10,707	14,025	65,713	-	-	155,745	-	14,360	-	-	53,025	851	223,981
Total expenses before depreciation and accretion	1,554,563	1,909,675	2,056,124	1,080,501	1,348,791	961,020	6,693,993	15,604,667	17,248,628	3,157,561	901,605	-	4,463,922	1,152,858	42,529,241
Depreciation and accretion	129,819	159,475	171,705	90,231	112,636	80,253	-	744,119	-	283,574	314,250	19,204	326,210	84,248	1,771,605
Total expenses	$ 1,684,382	$ 2,069,150	$ 2,227,829	$ 1,170,732	$ 1,461,427	$ 1,041,273	$ 6,693,993	$ 16,348,786	$ 17,248,628	$ 3,441,135	$ 1,215,855	$ 19,204	$ 4,790,132	$ 1,237,106	$ 44,300,846

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

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