



**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Consolidated Financial Statements with Supplemental Schedules

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Statements of Financial Position as of December 31, 2015 and 2014	3
Consolidated Statement of Activities for the year ended December 31, 2015	4
Consolidated Statement of Activities for the year ended December 31, 2014	5
Consolidated Statements of Cash Flows for the years ended December 31, 2015 and 2014	6
Notes to Consolidated Financial Statements	7
Supplemental Schedules	31



KPMG LLP
1676 International Drive
McLean, VA 22102

Independent Auditors' Report

The Administrative Committee
United States Conference of Catholic Bishops:

We have audited the accompanying consolidated financial statements of the United States Conference of Catholic Bishops and affiliate, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the United States Conference of Catholic Bishops and affiliate as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The 2015 supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the 2015 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 consolidated financial statements or to the 2015 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

McLean, Virginia
June 20, 2016

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Consolidated Statements of Financial Position

as of December 31, 2015 and 2014

Assets	2015	2014
Cash and cash equivalents	\$ 7,243,961	13,327,524
Short-term investments	212,160	218,565
Accounts receivable:		
Resettlement and other programs – government agencies, net (note 2i)	21,532,704	19,711,175
Other, net (note 2i)	3,266,410	2,644,344
Contributions receivable (note 2i)	44,753,806	46,884,916
Inventories, net, prepaid expenses and other assets	1,142,160	1,536,108
Long-term investments (note 7)	262,551,281	287,544,429
Property and equipment, net (note 4)	13,914,151	14,815,067
Total assets	\$ <u>354,616,633</u>	<u>386,682,128</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 21,105,226	14,298,684
National collections grants payable (note 2j)	43,245,326	41,455,868
Accrued pension liability (note 10)	41,426,420	44,170,828
Accrued postretirement benefit liability (note 11)	31,113,369	30,487,547
Total liabilities	<u>136,890,341</u>	<u>130,412,927</u>
Net assets:		
Unrestricted net assets:		
General and current operating funds (note 5)	29,599,310	31,914,516
National collections (note 6)	95,850,380	113,742,258
National Religious Retirement Office (note 6)	36,557,946	36,557,946
Total unrestricted net assets	<u>162,007,636</u>	<u>182,214,720</u>
Temporarily restricted net assets (note 6):		
National collections	27,230,245	41,003,138
National Religious Retirement Office	28,262,327	32,812,552
Total temporarily restricted net assets	<u>55,492,572</u>	<u>73,815,690</u>
Permanently restricted net assets (note 9)	226,084	238,791
Total net assets	<u>217,726,292</u>	<u>256,269,201</u>
Commitments and contingencies (notes 12 and 13)		
Total liabilities and net assets	\$ <u>354,616,633</u>	<u>386,682,128</u>

See accompanying notes to consolidated financial statements.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Consolidated Statement of Activities

Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenues, gains and other support:				
Contributions:				
Diocesan assessments	\$ 10,961,362	—	—	10,961,362
National collections	—	88,999,330	—	88,999,330
Grants, bequests and other	3,761,666	2,995,100	—	6,756,766
Government contracts and grants revenue (note 3)	80,733,062	—	—	80,733,062
Investment income (note 8)	9,870,415	11,899	(12,707)	9,869,607
Sale of publications	7,152,314	—	—	7,152,314
Royalty income	2,734,195	—	—	2,734,195
Collection fees on refugee loans	3,524,395	—	—	3,524,395
Contributed services	425,430	—	—	425,430
Other	1,504,002	—	—	1,504,002
	<u>120,666,841</u>	<u>92,006,329</u>	<u>(12,707)</u>	<u>212,660,463</u>
Net assets released from restrictions	110,329,447	(110,329,447)	—	—
Total operating revenues, gains and other support	<u>230,996,288</u>	<u>(18,323,118)</u>	<u>(12,707)</u>	<u>212,660,463</u>
Operating expenses:				
Program services:				
Pastoral activities	7,646,310	—	—	7,646,310
Migration and refugee services (note 3):				
Subrecipient government contract expense	70,131,305	—	—	70,131,305
Other	13,712,153	—	—	13,712,153
Total Migration refugee services	<u>83,843,458</u>	<u>—</u>	<u>—</u>	<u>83,843,458</u>
Communications, policy and advocacy activities	22,261,294	—	—	22,261,294
National collections:				
Grants and donations	107,884,153	—	—	107,884,153
Other	3,304,940	—	—	3,304,940
Total National collections	<u>111,189,093</u>	<u>—</u>	<u>—</u>	<u>111,189,093</u>
Total program expenses	<u>224,940,155</u>	<u>—</u>	<u>—</u>	<u>224,940,155</u>
Supporting services:				
Management and general	14,269,807	—	—	14,269,807
National collections - fundraising	2,298,792	—	—	2,298,792
Total supporting services expenses	<u>16,568,599</u>	<u>—</u>	<u>—</u>	<u>16,568,599</u>
Total expenses	<u>241,508,754</u>	<u>—</u>	<u>—</u>	<u>241,508,754</u>
Increase (decrease) in net assets from operations	<u>(10,512,466)</u>	<u>(18,323,118)</u>	<u>(12,707)</u>	<u>(28,848,291)</u>
Nonoperating activities:				
Unrealized appreciation (depreciation) on investments (note 8)	(10,779,735)	—	—	(10,779,735)
Pension related changes other than net periodic pension cost (notes 10 and 11)	1,085,117	—	—	1,085,117
Total nonoperating activities	<u>(9,694,618)</u>	<u>—</u>	<u>—</u>	<u>(9,694,618)</u>
Change in net assets	<u>(20,207,084)</u>	<u>(18,323,118)</u>	<u>(12,707)</u>	<u>(38,542,909)</u>
Net assets, beginning of year	182,214,720	73,815,690	238,791	256,269,201
Net assets, end of year	\$ <u>162,007,636</u>	<u>55,492,572</u>	<u>226,084</u>	<u>217,726,292</u>

See accompanying notes to consolidated financial statements.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Consolidated Statement of Activities

Year ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenues, gains and other support:				
Contributions:				
Diocesan assessments	\$ 10,639,982	—	—	10,639,982
National collections	—	112,795,401	—	112,795,401
Grants, bequests and other	3,118,937	44,016	—	3,162,953
Government contracts and grants revenue (note 3)	79,590,512	—	—	79,590,512
Income on investments (note 7)	22,257,974	12,568	4,336	22,274,878
Sale of publications	6,420,962	—	—	6,420,962
Royalty income	2,981,955	—	—	2,981,955
Collection fees on refugee loans	3,401,622	—	—	3,401,622
Contributed services	511,631	—	—	511,631
Other	1,665,903	—	—	1,665,903
	<u>130,589,478</u>	<u>112,851,985</u>	<u>4,336</u>	<u>243,445,799</u>
Net assets released from restrictions	<u>127,505,580</u>	<u>(127,505,580)</u>	<u>—</u>	<u>—</u>
Total operating revenues, gains and other support	<u>258,095,058</u>	<u>(14,653,595)</u>	<u>4,336</u>	<u>243,445,799</u>
Operating expenses:				
Program services:				
Pastoral activities	7,976,166	—	—	7,976,166
Migration and refugee services (note 3):				
Subrecipient government contract expense	69,144,094	—	—	69,144,094
Other	14,152,210	—	—	14,152,210
Total Migration refugee services	83,296,304	—	—	83,296,304
Communications, policy and advocacy activities	17,624,319	—	—	17,624,319
National collections:				
Grants and donations	124,522,933	—	—	124,522,933
Other	3,613,534	—	—	3,613,534
Total National collections	128,136,467	—	—	128,136,467
Total program expenses	<u>237,033,256</u>	<u>—</u>	<u>—</u>	<u>237,033,256</u>
Supporting services:				
Management and general	10,895,018	—	—	10,895,018
National collections - fundraising	2,073,086	—	—	2,073,086
Total supporting services expenses	<u>12,968,104</u>	<u>—</u>	<u>—</u>	<u>12,968,104</u>
Total expenses	<u>250,001,360</u>	<u>—</u>	<u>—</u>	<u>250,001,360</u>
Increase (decrease) in net assets from operations	<u>8,093,698</u>	<u>(14,653,595)</u>	<u>4,336</u>	<u>(6,555,561)</u>
Nonoperating activities:				
Unrealized appreciation (depreciation) on investments (note 7)	(1,236,126)	—	—	(1,236,126)
Pension related changes other than net periodic pension cost (notes 9 and 10)	(17,828,763)	—	—	(17,828,763)
Total nonoperating activities	<u>(19,064,889)</u>	<u>—</u>	<u>—</u>	<u>(19,064,889)</u>
Change in net assets	<u>(10,971,191)</u>	<u>(14,653,595)</u>	<u>4,336</u>	<u>(25,620,450)</u>
Net assets, beginning of year	193,185,911	88,469,285	234,455	281,889,651
Net assets, end of year	\$ <u>182,214,720</u>	<u>73,815,690</u>	<u>238,791</u>	<u>256,269,201</u>

See accompanying notes to consolidated financial statements.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Consolidated Statement of Cash Flows

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ (38,542,909)	(25,620,450)
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Allowance for doubtful accounts and obsolescence	3,567	2,579
Depreciation expense	1,503,845	1,446,095
Net realized and unrealized (gains) loss on long-term investments	3,671,165	(17,986,215)
(Increase) decrease in operating assets:		
Accounts receivable:		
Resettlement and other programs – government agencies	(1,821,529)	(2,374,366)
Other	(625,633)	154,627
Contributions receivable	2,131,110	7,205,271
Inventories, prepaid expenses and other assets	393,948	(128,389)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	6,806,542	2,210,840
National collections grants payable	1,789,458	3,857,091
Accrued pension liability	(2,744,408)	11,469,835
Accrued postretirement benefit liability	625,822	2,232,208
Net cash used in operating activities	<u>(26,809,022)</u>	<u>(17,530,874)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(602,929)	(413,734)
Sales of investments	293,390,899	260,711,182
Purchases of investments	(272,062,511)	(235,005,111)
Net cash provided by investing activities	<u>20,725,459</u>	<u>25,292,337</u>
Increase (decrease) in cash and cash equivalents	(6,083,563)	7,761,463
Cash and equivalents, beginning of year	<u>13,327,524</u>	<u>5,566,061</u>
Cash and equivalents, end of year	\$ <u><u>7,243,961</u></u>	<u><u>13,327,524</u></u>

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(1) Organization

The United States Conference of Catholic Bishops (USCCB or the Conference) is an assembly of the hierarchy of the United States and the U.S. Virgin Islands who jointly exercise certain pastoral functions on behalf of the Christian faithful of the United States. The purpose of the Conference is to promote the greater good that the Church offers humankind. This purpose is drawn from the universal law of the Church and applies to the Episcopal conferences which are established all over the world for the same purpose.

All Catholic bishops and eparchs in the United States constitute the membership of the Conference and are served by a staff of lay people, priests, deacons, and religious located at the Conference headquarters in Washington, D.C.

The accompanying consolidated financial statements include the accounts of the General Funds, the Current Operating Fund, which includes the various committees and activities of the Conference, the national collections including the National Religious Retirement Office (NRRO), the Confraternity of Christian Doctrine, Inc. (CCD) and St. John's Hall (Staff House), collectively referred to as USCCB. CCD is a District of Columbia nonprofit corporation created in 1939, whose current activity is to hold and manage the copyrights on the New American Bible. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

The General Fund is comprised of five funds: General Operating, Building, General Reserve, Catechism and Quasi-Endowment. The General Operating Fund derives revenue from diocesan assessments, investment income and other sources. This revenue is used primarily to finance the current operations of USCCB. The Building Fund includes the land, buildings, furniture and equipment of USCCB offices, the St. John's Hall staff house facility located in Washington D.C., improvements to the Villa Stritch staff house facilities in Rome and reserves for future maintenance and improvements on facilities. The General Reserve Fund was designated in 1993 for sudden, unusual, ad hoc and/or short term projects. The Catechism Fund was established in 1995 to account for operations related to the publishing, sale, promotion and distribution of the United States release of the *Catechism of the Catholic Church*. The Quasi-Endowment Fund was established in 1997 to help offset future increases in the diocesan assessments by applying an annual spending rate to use for current operations.

The Current Operating Fund represents the accumulated income or deficit from operations of USCCB's activities, after transfers from the General Operating Fund. The principal activities included in the Current Operating Fund are pastoral activities, management and general activities and communications, policy and advocacy.

Communications, policy and advocacy activities broadly categorized include, but are not limited to, the production of news, educational and catechetical content; the sharing of the teachings of the Church that have some bearing on public policy; and advocacy which is realized through the staff of the Government Relations Office.

National collections are summarized as follows:

- The Catholic Relief Services Collection (CRSC) is an annual appeal, which provides funding for Catholic Relief Services (CRS) and other identifiable overseas aid programs such as the relief works

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

of the Holy Father, Migration and Refugee Services (MRS), Justice Peace and Human Development (JPHD), and the Catholic Legal Immigration Network, Inc. (CLINIC).

- Catholic Campaign for Human Development (CCHD) is the domestic anti-poverty social justice program of USCCB. Its mission is to address the root causes of poverty in the United States through promotion and support of community-controlled self-help organizations, and through transformative education. Seventy-five percent of the receipts from the CCHD national collection are remitted to USCCB. The remaining 25% of the collection is retained by the dioceses for use in local human development programs.
- Collection for the Church in Latin America (CLA) gives assistance to the Catholic Church within the countries of Latin America and the Caribbean.
- Catholic Communication Campaign (CCC) contributes to the process of evangelization by fostering activities related to television, radio, print, internet, and other media. CCC uses 50% for priority projects of the bishops for national and international distribution, following recommendations by the USCCB Communications Committee. The remaining portion of the collection is retained by dioceses for use in local communications projects.
- Catholic Home Missions Appeal (CHMA) gives financial support to missionary activities that strengthen and extend the presence of the Church in the United States and its dependencies.
- Aid to the Church in Central and Eastern Europe (AEE) helps restore pastoral capacity in that area.

The National Religious Retirement Office (NRRO) was established in 1987 by the Conference of Major Superiors of Men, the Leadership Conference of Women Religious and the United States Conference of Catholic Bishops. In 1995, the Council of Major Superiors of Women Religious became the fourth sponsoring entity. NRRO is responsible for coordinating the annual Retirement Fund for Religious national collection as authorized by the Bishops of the United States.

Separate financial records are maintained by other activities not directly under the control of USCCB, but related to the mission of the Catholic Church. The following activities are excluded from the accompanying financial statements and are audited separately:

- Catholic Legal Immigration Network, Inc. (CLINIC)
- Catholic Relief Services, Inc. (CRS)
- Basilica of the National Shrine of the Immaculate Conception

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Net assets and related revenues, gains and other support are classified based upon the existence or absence of donor-imposed stipulations, as follows:

Unrestricted Net Assets

Includes all resources that are expendable for carrying out USCCB's mission that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of USCCB pursuant to those stipulations.

Permanently Restricted Net Assets

Net assets whose use is limited by donor-imposed stipulations requiring such resources to be maintained in perpetuity and the income utilized for operating or other donor-restricted purposes.

(b) *Cash and Cash Equivalents*

USCCB considers all highly liquid financial instruments having an original maturity of three months or less to be cash equivalents, except for cash or money market accounts held by external managers.

(c) *Short-Term and Long-Term Investments*

Pooled investments include those of CRSC, CCHD, CLA, CCC, CHM, AEE, and NRRO and consist of both short-term and long-term investments. The pooled investments are managed by independent investment managers, and the securities are held by bank custodians. Selected investment portfolios also include assets of CRS and CLINIC, however, proportional ownership of those portfolios is separately reported by the custodian bank and amounts owned by CRS and CLINIC are not reported in the accompanying consolidated financial statements. The pooled investment fund is comprised of domestic and foreign equity and fixed income securities, fund of funds, mortgage and asset-backed securities and U.S. government and agency securities. Investment income, including realized gains (losses) is included in operating revenues, gains and other support, while net unrealized appreciation (depreciation) is reported as nonoperating activity in the accompanying consolidated statements of activities.

Short-term investments, at fair value, consist of government and corporate obligations with original maturities of one year or less as of December 31, 2015 and 2014.

Long-term investments included in the pooled investments are recorded at fair value.

All investments are exposed to various risks, such as interest rates, market and credit risks. Due to the level of risk associated with certain investments, it is at least possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(d) Contributions

Diocesan assessments represent the current year's assessment to each diocese. National collections represent USCCB's share of the proceeds of the current year's collections. Grants and contributions received, including national collections, which are restricted by the donor for a specific purpose, are recorded as temporarily restricted in accordance with the donors' intent and are released to unrestricted net assets upon meeting the implicit time restrictions and expenditure of the funds in accordance with the donor's restricted purpose. Grants, bequests and other contributions are recorded as income when an unconditional promise to give is received.

(e) Inventories

Inventories are valued at the lower of cost or market with cost being determined on the average cost basis. At December 31, 2015 and 2014, inventories are comprised primarily of publications for sale and are reflected in the accompanying consolidated statements of financial position net of an allowance for obsolete inventory of \$112,560 and \$139,320, respectively.

(f) Property and Equipment, Net

USCCB owns its headquarters building and staff house facilities in Washington, D.C. and the Villa Stritch in Rome, Italy, which is used by American priests serving at the Vatican. Property and equipment, net, are stated at cost at date of acquisition or fair value at date of contribution, if donated. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Assets are depreciated over the following useful lives:

Buildings	40 years
Building improvements	10 years
Furniture and equipment	3–10 years

(g) Revenues

Revenues from government contracts and grants are recognized in the period when expenditures have been incurred or services have been performed in compliance with the respective contracts. Contracts awarded for the acquisition of long-lived assets are reported as deferred revenue until the assets are acquired, at which time the award is recorded as unrestricted revenue. Revenues from the sale of publications are recognized when the merchandise is shipped and title is transferred to an unrelated third party. Royalty income is recognized as earned.

Contract revenues are subject to examination and contractual adjustment, and amounts realizable may change due to periodic changes in the regulatory environment. It is management's opinion that any potential disallowances will not have a material effect on the accompanying consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(h) *Resettlement Programs*

Reimbursements from government grants for USCCB administrative costs and program services provided by MRS are included in the accompanying consolidated statements of activities.

(i) *Accounts and Contributions Receivable*

Accounts receivable consists primarily of amounts due from publication sales, royalties due and government contracts and grants. These amounts are expected to be collected within one year. Accounts receivable, net of allowance for doubtful accounts, not expected to be collected within one year of the statement of financial position date, are recorded at net present value. USCCB determines its allowance by considering a number of factors, including the length of time receivables are past due, USCCB's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the not-for-profit sector as a whole.

At December 31, 2015 and 2014, accounts receivables, primarily amounts due from publication sales, are reflected in the accompanying consolidated statement of financial position net of an allowance for doubtful accounts of \$61,551 and \$65,118, respectively.

Contributions receivable consists primarily of amounts due from dioceses for national collections. These amounts are also expected to be collected within one year. Management has determined that no reserves are necessary at December 31, 2015 and 2014 relating to contributions receivable. Contributions receivable is measured at net realizable value (Level 2 input).

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

At December 31, 2015 and 2014, Accounts receivable-Resettlement and other programs consisted of the following:

	<u>2015</u>	<u>2014</u>
U.S. Refugee Admissions Program	\$ 11,774,296	10,364,981
Refugee and Entrant Assistance-Voluntary Agency Program	5,083,183	5,303,043
Refugee and Entrant Assistance-Discretionary Grants	950,882	654,198
Unaccompanied Alien Children Program	2,614,595	2,635,384
Cuban/Haitian Entrant Resettlement Program	1,021,310	753,569
Anti-Trafficking	88,438	—
Total accounts receivable-resettlement and other programs	<u>\$ 21,532,704</u>	<u>19,711,175</u>

At December 31, 2015 and 2014, contributions receivable consisted of the following:

	<u>2015</u>	<u>2014</u>
Catholic Campaign for Human Development	\$ 8,600,194	8,738,465
Catholic Communications Campaign	526,747	705,359
Catholic Homes Missions Appeal	1,179,027	1,463,725
Catholic Relief Service Collection	1,839,392	2,369,245
Collection for the Church in Latin America	611,145	936,692
Collection for Rebuild of Churches hit by Haiti earthquake	8,498,478	8,436,364
Aid to the Church in Central and Eastern Europe	1,015,309	1,062,631
National Religious Retirement Office	22,483,514	23,172,435
Total contributions receivable	<u>\$ 44,753,806</u>	<u>46,884,916</u>

(j) Grants Payable

The Conference receives several funds through its National Collections Office. These funds are granted/dispensed upon approval of the respective subcommittees of bishops for each national collection. Unconditional grants are recorded when approved. Conditional grants are recorded when conditions are substantially met and the expenditures are approved.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

At December 31, 2015 and 2014, grants payable consisted of the following:

	<u>2015</u>	<u>2014</u>
Catholic Campaign for Human Development	\$ 7,389,837	5,133,767
Catholic Communications Campaign	606,870	375,817
Catholic Homes Missions Appeal	10,050,000	8,937,395
Catholic Relief Service Collection	14,252,927	13,998,647
Collection for the Church in Latin America	2,153,402	1,156,025
Collection for Rebuild of Churches hit by Haiti earthquake	4,216,935	6,358,660
Aid to the Church in Central and Eastern Europe	2,612,096	2,802,206
National Religious Retirement Office	1,674,376	13,258
Other	288,883	2,680,093
Total grants payable	<u>\$ 43,245,326</u>	<u>41,455,868</u>

(k) Concentration of Credit Risk

Cash and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, USCCB maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits, and in a diversified investment portfolio. At December 31, 2015 and 2014, cash and investments were placed with major financial institutions and, accordingly, management does not expect nonperformance.

(l) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and short-term investments approximate fair value due to the short-term maturity of these financial instruments. Cash, cash equivalents, and short term investments are classified as level one in the fair value hierarchy.

(m) Contributed Services

Contributed services revenue is recognized for staff positions filled by diocesan priests. The value of the contributed services is the difference between the amounts paid to or on behalf of the diocesan priests and the compensation that would be paid to lay persons for comparable positions and is recognized in operating revenues and expenses in the accompanying consolidated statements of activities. For the years ended December 31, 2015 and 2014, total contributed services revenue was \$425,430 and \$511,631.

(n) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(o) *Income Taxes*

USCCB is exempt from federal income taxes, under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3). USCCB is also exempt from tax in the District of Columbia under the applicable statute. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

(p) *Recent Accounting Pronouncements*

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07: *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent) (a consensus of the Emerging Issues Task Force)*, which eliminates the requirement to classify investments in the fair value hierarchy if their fair value is measured at NAV using the practical expedient. The new guidance is effective for annual reporting periods beginning after December 15, 2016, however early adoption is permitted. USCCB has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02: *Leases (Topic 842)*, an amendment to the FASB ASC Codification. ASU 2016-02 rewrites the accounting guidance for leases in which lessees will recognize most leases on their statement of financial position as a right-of-use asset and a lease liability for all future lease payments. The new guidance is effective for annual reporting periods beginning after December 15, 2019, however early adoption is permitted. USCCB has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

(3) *Migration and Refugee Services and Programs*

Since 1975 USCCB has entered into various agreements with the United States government to assist in the resettlement of refugees immigrating to the United States and to provide specialized services to particularly vulnerable migrants, such as unaccompanied minors and victims of human trafficking. The resettlement activities are financed by government agencies, principally the U.S. Department of Health and Human Services and the U.S. Department of State under the authority of the Immigration and Nationality Act, as amended. Government funds received must generally be paid for the designated contractual purposes no later than three months following the end of the contract period. Unless an extension is approved by the government agencies, the funds are subject to reversion after the three-month period. However, for the majority of programs, funds are drawn down after expenditures have been incurred and paid, thereby limiting exposure to the reversion requirements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

USCCB was reimbursed \$10,763,587 and \$10,798,023 for direct administrative costs and program services provided for resettlement activities for the years ended December 31, 2015 and 2014. USCCB incurred sub-recipient expenses under these government contracts of \$69,800,930 and \$68,442,579 for the years ended December 31, 2015 and 2014, respectively, and corresponding revenue has been recognized. Government contracts and grants revenue consisted of the following:

	<u>2015</u>	<u>2014</u>
U.S. Refugee Admissions Program	\$ 41,136,234	44,942,353
Refugee and Entrant Assistance-Voluntary Agency Programs	18,780,367	18,411,534
Refugee and Entrant Assistance-Discretionary Grants	2,138,187	1,960,428
Unaccompanied Alien Children Program	13,258,534	9,778,252
Cuban/Haitian Entrant Resettlement Program	5,331,301	4,497,945
Anti-Trafficking	88,439	—
Total government contract and grants revenue	<u>\$ 80,733,062</u>	<u>79,590,512</u>

(4) Property and Equipment, Net

At December 31, 2015 and 2014, property and equipment, net, consisted of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 1,448,535	1,448,535
Buildings and improvements	33,863,517	33,363,669
Furniture and equipment	3,580,202	3,489,121
Fine artwork and paintings	512,025	500,025
Total property and equipment	39,404,279	38,801,350
Less accumulated depreciation and amortization	(25,490,128)	(23,986,283)
Total property and equipment, net	<u>\$ 13,914,151</u>	<u>14,815,067</u>

(5) Unrestricted Net Assets – General and Current Operating Funds

At December 31, 2015 and 2014, General and Current Operating Funds consisted of the following:

	<u>2015</u>	<u>2014</u>
Building fund	\$ 36,044,366	35,703,525
Quasi-endowment fund (note 9)	28,311,413	30,061,255
General reserve fund	3,628,171	5,000,000
Catechism fund	1,048,839	1,052,311
General and current operating funds	(39,433,479)	(39,902,575)
Total general and current operating funds	<u>\$ 29,599,310</u>	<u>31,914,516</u>

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(6) National Collections and NRRO Net Assets

At December 31, 2015 and 2014, unrestricted and temporarily restricted net assets for national collections and NRRO were as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Unrestricted</u>	<u>Temporarily restricted</u>
NRRO	\$ 36,557,946	28,262,327	36,557,946	32,812,552
National Collections:				
CRSC	9,972,838	1,839,392	11,109,481	2,369,245
CCHD	37,467,535	8,600,194	44,351,240	8,738,466
CLA – Regular collection	10,044,312	611,145	10,887,124	936,692
CLA – Haiti Recovery Fund	2,179,584	10,661,494	2,179,584	11,684,590
CCC	8,530,907	526,747	13,490,031	705,359
CHM	13,575,503	2,571,049	13,575,503	1,463,725
Church in Africa	2,631,501	162,110	2,631,501	267,035
AEE	10,001,726	1,015,309	10,912,021	1,062,641
Special Collections – Disaster Relief	1,446,474	1,242,805	4,605,773	13,775,385
	<u>95,850,380</u>	<u>27,230,245</u>	<u>113,742,258</u>	<u>41,003,138</u>
National collections				
Total	<u>\$ 132,408,326</u>	<u>55,492,572</u>	<u>150,300,204</u>	<u>73,815,690</u>

(7) Investments and Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. As required by U.S. generally accepted accounting principles for fair value measurement, USCCB uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the 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 broken down 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 where fair value is determined using other securities, the parameters of which can be directly observed.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Level 3 – Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value require significant management judgment or estimation. USCCB held no assets where fair value was determined using Level 3 inputs during 2015 or 2014.

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. The following valuation techniques and inputs were used to determine the fair value of the long-term investments listed below:

Fixed income securities (including the related receivables for securities sold and liabilities for securities purchased) include, but are not limited to, U.S. government and agency securities, corporate bonds, mortgage-backed securities and asset-backed securities. U.S. government and agency securities and certain mortgage-backed securities are valued using quoted prices in principal active markets for identical assets and are classified as Level 1. The remainder of these securities are valued using quoted prices in active markets for similar securities and are classified as Level 2.

Equity securities are valued using quoted prices in principal active markets for identical assets and are classified as Level 1. Cash equivalents consisting of money market accounts and overnight deposits are also classified as Level 1.

Institutional mutual funds are valued using the net asset value (NAV) or its equivalent to determine the fair value of all the underlying investments. These institutional mutual funds are classified at level 2 as they are redeemable at NAV at or near year-end.

Short-term investments, consisting of certificates of deposit, are classified as Level 1.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

At December 31, 2015, the following table summarizes long-term investments within the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 3,030,621	—	3,030,621
U.S. government and agency securities	15,314,227	—	15,314,227
Corporate bonds	—	8,090,698	8,090,698
Domestic equity securities	131,623,813	—	131,623,813
Institutional mutual funds:			
Domestic equity funds	—	12,827,510	12,827,510
Foreign equity funds	—	21,239,518	21,239,518
Fixed income funds:			
U.S. government portfolio	—	16,978,485	16,978,485
International portfolio	—	18,367,301	18,367,301
Mortgage fund	—	12,385,749	12,385,749
Asset-backed fund	—	1,032,950	1,032,950
Mortgage-backed securities	2,573,205	14,947,656	17,520,861
Asset-backed securities	—	7,168,769	7,168,769
Receivables for securities sold	224,081	1,220,328	1,444,409
Liabilities for securities purchased	(97,390)	(4,376,240)	(4,473,630)
Total long-term investments	<u>\$ 152,668,557</u>	<u>109,882,724</u>	<u>262,551,281</u>

At December 31, 2014, the following table summarizes long-term investments within the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 6,186,531	—	6,186,531
U.S. government and agency securities	19,787,787	—	19,787,787
Corporate bonds	—	7,675,016	7,675,016
Domestic equity securities	139,068,805	—	139,068,805
Institutional mutual funds:			
Domestic equity funds	—	14,880,622	14,880,622
Foreign equity funds	—	21,772,130	21,772,130
Fixed income funds:			
U.S. government portfolio	—	19,795,278	19,795,278
International portfolio	—	20,766,668	20,766,668
Mortgage fund	—	14,541,036	14,541,036
Asset-backed fund	—	1,292,846	1,292,846
Mortgage-backed securities	2,340,144	18,349,943	20,690,087
Asset-backed securities	—	8,236,937	8,236,937
Receivables for securities sold	1,251,383	710,948	1,962,331
Liabilities for securities purchased	(3,228,599)	(5,883,046)	(9,111,645)
Total long-term investments	<u>\$ 165,406,051</u>	<u>122,138,378</u>	<u>287,544,429</u>

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Investments include cash equivalents held by long-term investment managers for reinvestment. There were no transfers between Levels 1 and 2 during 2015 and 2014.

Investments valued at NAV or its equivalent as of December 31, 2015 and 2014 consisted of the following:

Investment	Investment strategy	2015 NAV	2014 NAV	Redemption restrictions/ liquidity provisions
Institutional mutual funds:				
International portfolio	Approximate the MSCI EAFE Index	\$ 18,367,301	20,766,668	Daily / 30 days prior notice
U.S. government portfolio	Approximate performance of Barclays Capital U.S. Intermediate Government Bond Index	16,978,485	19,795,278	Daily / 2 day prior notice
Mortgage fund	Approximate performance of Barclays Capital U.S. MBS Index	12,385,749	14,541,036	Daily / 2 day prior notice
Foreign equity funds	Invest in equity securities of well-established companies based primarily in countries included in Morgan Stanley Capital International Europe, Australia the Far East Index and Canada	21,239,518	21,772,130	Daily / No prior notice
Domestic equity funds	Approximate the performance of Barclays Capital U.S. Credit Bond Index	12,827,510	14,880,622	Daily / 2 day prior notice

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

<u>Investment</u>	<u>Investment strategy</u>	<u>2015 NAV</u>	<u>2014 NAV</u>	<u>Redemption restrictions/ liquidity provisions</u>
Asset-backed fund	Approximate the performance of Barclays Capital U.S. ABS Index/Barclays Capital U.S. CMBS Index	\$ 1,032,950	1,292,846	Daily/ No prior notice

The above funds have no unfunded commitments as of December 31, 2015 and 2014.

(8) Investment Income and Unrealized Appreciation/Depreciation

For the years ended December 31, 2015 and 2014, investment income consisted of the following:

	<u>2015</u>	<u>2014</u>
Investments:		
Interest	\$ 1,164,729	1,307,375
Dividends	2,623,255	2,633,248
Realized gains	7,108,570	19,222,341
Gross investment income	10,896,554	23,162,964
Less investment management fees	(1,026,947)	(888,086)
Net investment income	9,869,607	22,274,878
Unrealized depreciation	(10,779,735)	(1,236,126)
Total return on investments	\$ (910,128)	21,038,752

(9) Endowments

FASB requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets to be classified as temporarily restricted net assets until appropriated for expenditure. USCCB is subject to the District of Columbia enacted version of the Uniform Prudent Management of Institutional Funds Act. Management has interpreted the District of Columbia law as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

In 2010, USCCB established the Villa Stritch Endowment fund as a permanently restricted fund for the sole purpose of providing support for U.S. diocesan priests serving the Universal Church in various ministries of the Holy See.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

The following illustrates the Villa Stritch Endowment fund net assets for the year ended December 31, 2015:

	Temporarily restricted	Permanently restricted	Total
Balance as of January 1, 2015	\$ —	238,791	238,791
Investment income (loss)	11,899	(12,707)	(808)
Distribution	(11,899)	—	(11,899)
Balance as of December 31, 2015	<u>\$ —</u>	<u>226,084</u>	<u>226,084</u>

The following illustrates the Villa Stritch Endowment fund net assets for the year ended December 31, 2014:

	Temporarily restricted	Permanently restricted	Total
Balance as of January 1, 2014	\$ —	234,455	234,455
Investment income	12,568	4,336	16,904
Distribution	(12,568)	—	(12,568)
Balance as of December 31, 2014	<u>\$ —</u>	<u>238,791</u>	<u>238,791</u>

The following illustrates the changes in unrestricted, board-designated Quasi-Endowment fund net assets for the years ended December 31, 2015 and 2014:

	2015	2014
Unrestricted, board-designated Quasi-Endowment funds, beginning of year	\$ 30,061,255	29,613,382
Investment return – investment income	(102,088)	2,197,470
Transfer to General Operating Fund (spending rate 5.5%)	<u>(1,647,754)</u>	<u>(1,749,597)</u>
Unrestricted, board-designated Quasi-Endowment funds, end of year	<u>\$ 28,311,413</u>	<u>30,061,255</u>

Realized and unrealized appreciation (depreciation) is allocated to the Quasi-Endowment fund. In 2015 and 2014, USCCB directed a transfer to the General Operating Fund of an amount equal to 5.5% of the Quasi-Endowment fund year-end balance. This amount was established to help offset increases in the annual diocesan assessment necessary in the budget.

(10) Retirement Benefits

Substantially all of the employees participate in a noncontributory, defined benefit retirement plan. The plan also covers some employees of the National Council of Catholic Women and the CLINIC. Benefits under the plan are based on years of service and final average pay.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

In 2013, the Executive Committee approved an amendment to the plan to freeze benefit accruals as of December 31, 2013 for all current employees.

The actuarial valuation of this retirement plan for 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Accumulated benefit obligation	\$ 99,313,629	105,416,271
Change in benefit obligation:		
Benefit obligation, beginning of year	105,416,271	90,283,331
Interest cost	4,115,729	4,130,377
Actuarial loss (gain)	(5,561,019)	15,466,906
Benefits paid	<u>(4,657,352)</u>	<u>(4,464,343)</u>
Benefit obligation, end of year	<u>99,313,629</u>	<u>105,416,271</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	61,245,443	57,582,338
Actual return on plan assets	(499,931)	4,121,880
Employer contributions	1,799,049	4,005,568
Benefits paid	<u>(4,657,352)</u>	<u>(4,464,343)</u>
Fair value of plan assets, end of year	<u>57,887,209</u>	<u>61,245,443</u>
Funded status – underfunded	<u>\$ 41,426,420</u>	<u>44,170,828</u>
Items not yet recognized as a component of net periodic pension benefit cost:	<u>2015</u>	<u>2014</u>
Net actuarial loss	\$ 28,244,523	29,913,353
Net periodic benefit cost:		
Interest cost	4,115,729	4,130,377
Expected return on plan assets	(4,088,965)	(3,921,177)
Amortization of net actuarial loss	<u>696,707</u>	<u>150,220</u>
Net periodic benefit cost	<u>\$ 723,471</u>	<u>359,420</u>

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

	2015	2014
Other changes in plan assets and benefit obligation:		
Net actuarial loss (gain)	\$ (972,123)	15,266,203
Amortization of actuarial net loss	(696,707)	(150,220)
Total other changes in plan assets and benefit obligation	\$ (1,668,830)	15,115,983

The assumptions used to determine the benefit obligation in the actuarial valuations at December 31, 2015 and 2014 were as follows:

	2015	2014
Discount rate	4.30%	3.97%

The assumptions used to determine the net periodic benefit cost in the actuarial valuations at December 31, 2015 and 2014 were as follows:

	2015	2014
Discount rate	3.97%	4.80%
Expected return on plan assets	6.85	6.85

In October 2015, the Society of Actuaries released new data regarding observed mortality rate improvements (the RP-2014 Mortality Tables and the MP-2015 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2015.

Estimated amounts to be amortized into net periodic benefit cost in 2015 are \$651,250 from net actuarial loss. There is no prior service cost that will be amortized next year.

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

2016	\$	5,069,000
2017		5,237,000
2018		5,411,000
2019		5,625,000
2020		5,825,000
2021–2025		30,177,000

USCCB plans to make a contribution of \$2,475,676 to the pension plan in 2016.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Plan Assets

The assets of the plan are invested primarily in a diversified mix of domestic and foreign equities and fixed income securities. The assets are managed by independent investment managers in accordance with stated investment policies and subject to USCCB's socially responsible investment guidelines. The investment objective of the pension fund is to equal or exceed a benchmark rate of return comprised of appropriate market indices and to achieve an above-median ranking in a universe of balanced funds with similar investment policies over reasonable measurement periods.

At December 31, 2015, the following table summarizes the plan assets within the fair value hierarchy (see note 7):

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 1,252,328	—	1,252,328
U.S. government and agency securities	3,687,144	—	3,687,144
Corporate bonds	—	2,008,301	2,008,301
Domestic equity securities	25,882,747	—	25,882,747
Institutional mutual funds:			
Domestic equity funds	—	3,228,517	3,228,517
Foreign equity funds	—	4,558,371	4,558,371
Fixed income funds:			
U.S. government portfolio	—	9,019,692	9,019,692
Mortgage fund	—	3,117,332	3,117,332
Asset-backed fund	—	259,980	259,980
Mortgage-backed securities	516,491	3,596,052	4,112,543
Asset-backed securities	—	1,421,478	1,421,478
Receivables for securities sold	221,400	282,053	503,453
Liabilities for securities purchased	(19,437)	(1,145,240)	(1,164,677)
Total plan assets	<u>\$ 31,540,673</u>	<u>26,346,536</u>	<u>57,887,209</u>

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

At December 31, 2014, the following table summarizes the plan assets within the fair value hierarchy (see note 7):

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 1,536,797	—	1,536,797
U.S. government and agency securities	4,417,525	—	4,417,525
Corporate bonds	—	1,577,720	1,577,720
Domestic equity securities	29,850,344	—	29,850,344
Institutional mutual funds:			
Domestic equity funds	—	3,189,413	3,189,413
Foreign equity funds	—	4,672,679	4,672,679
Fixed income funds:			
U.S. government portfolio	—	7,832,028	7,832,028
Mortgage fund	—	3,116,629	3,116,629
Asset-backed fund	—	277,100	277,100
Mortgage-backed securities	502,326	3,726,800	4,229,126
Asset-backed securities	—	1,578,485	1,578,485
Receivables for securities sold	469,228	156,290	625,518
Liabilities for securities purchased	(155,316)	(1,502,605)	(1,657,921)
Total plan assets	<u>\$ 36,620,904</u>	<u>24,624,539</u>	<u>61,245,443</u>

The actual asset allocations for 2015 and 2014 and target allocation ranges by asset category for 2015 and 2014 for the pension plan assets were as follows:

	<u>2015</u>	<u>2014</u>	<u>Target allocation range</u>
Cash and cash equivalents	2%	2%	<5%
U.S. equity securities	51	56	46–54%
Institutional mutual funds	35	32	13–17%
Fixed income securities	12	10	31–39%

The expected long-term rate of return assumption of 6.85%, for both 2015 and 2014, is selected by management as a reasonable expectation based on historical performance of both the pension fund and the investment markets in general. The selection of this rate is periodically revisited by USCCB as the administrator of the pension plan.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(11) Postretirement Benefits Other Than Pensions

USCCB provides health care and life insurance benefits to retired employees who have attained certain age and service requirements or age 65. Subsequent to attaining age 65, health care benefits to retired employees are noncontributory and are integrated with Medicare according to the Coordination of Benefits method. The life insurance benefit consists of a \$5,000 level death benefit and is noncontributory. Postretirement benefits are funded on a pay-as-you-go basis.

In 2013, the Executive Committee approved changes to the plan to change the level of benefits available for certain groups of eligible participants effective January 1, 2014. Unless grandfathered, employees retiring from the Conference after January 1, 2014 will be required to pay a percentage of the premiums.

	2015	2014
Change in benefit obligation:		
Benefit obligation, beginning of year	30,487,547	28,255,339
Service cost	524,737	516,831
Interest cost	1,235,892	1,322,741
Plan amendments	—	(3,032,473)
Medicare Part D benefit subsidy	77,641	90,129
Actuarial (gain) loss	(238,553)	4,460,927
Benefits paid	(973,895)	(1,125,947)
Fair value of plan assets	—	—
Benefit obligation, end of year - underfunded	31,113,369	30,487,547
	2015	2014
Net periodic benefit cost:		
Service cost	524,737	516,831
Interest cost	1,235,892	1,322,741
Amortization of prior service (credit)	(1,707,109)	(1,722,563)
Amortization of actuarial net loss	884,843	438,237
Net periodic benefit cost	\$ 938,363	555,246

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Amounts recognized in the accompanying consolidated financial statements consisted of the following:

	2015	2014
Other changes in plan assets and benefit obligation:		
Net actuarial (gain) loss	\$ (238,553)	4,460,927
Prior service credit	—	(3,032,473)
Amortization of prior service credit	1,707,109	1,722,563
Amortization of actuarial net (loss)	(884,843)	(438,237)
Total other changes in plan assets and benefit obligation	\$ 583,713	2,712,780

Estimated amounts to be amortized into net periodic benefit cost in 2016 are \$764,524 from net actuarial loss and \$1,575,163 from prior service credit.

(a) Actuarial Assumptions

The following assumptions were used in calculating the actuarial valuations at December 31, 2015:

	Benefit obligation	Net periodic benefit cost
Discount rate	4.48%	4.09%
Health care cost trend rate – medical	7.60	7.75
Health care cost trend rate – prescription drug	9.00	7.00
Ultimate trend rate	4.50	5.00
Year ultimate trend rate is reached	2024/2024	2024/2024

The following assumptions were used in calculating the actuarial valuations at December 31, 2014:

	Benefit obligation	Net periodic benefit cost
Discount rate	4.09%	4.80%
Health care cost trend rate – medical	7.76	8.13
Health care cost trend rate – prescription drug	7.00	7.25
Ultimate trend rate	5.00	5.00
Year ultimate trend rate is reached	2023/2023	2023/2023

In October 2015, the Society of Actuaries released new data regarding observed mortality rate improvements (the RP-2014 Mortality Tables and the MP-2015 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2015.

The assumed health care cost trend rates have a significant effect on the amounts reported for health-related postretirement benefits. A one percentage-point increase in the assumed health care cost

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

trend rate would increase the 2015 postretirement benefit service cost and interest cost by approximately \$353,000 and increase the accumulated postretirement benefit obligation by approximately \$4,978,000. A one percentage-point decrease in the assumed health care cost trend rate would decrease the 2015 postretirement benefit service cost and interest cost by approximately \$275,000, and decrease the accumulated postretirement benefit obligation by approximately \$4,049,000.

(b) Contributions and Benefit Payments

Postretirement benefits are funded on a pay-as-you-go basis. Therefore, employer contributions are equal to benefits paid in each year. For the years ended December 31, 2015 and 2014, the following benefits were paid from plan assets:

		2015		2014
Benefits paid	\$	973,895		1,125,947
Employer contribution		896,254		1,125,947
Medicare Part D benefit subsidy		77,641		90,129

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

		Gross benefit payments	Medicare subsidy receipts	Net benefit payments
2016	\$	1,268,000	129,000	1,139,000
2017		1,355,000	142,000	1,213,000
2018		1,452,000	157,000	1,295,000
2019		1,554,000	172,000	1,382,000
2020		1,610,000	145,000	1,465,000
2021-2025		9,346,000	806,000	8,540,000
Total	\$	16,585,000	1,551,000	15,034,000

USCCB plans to make a contribution of \$1,139,000 to the postretirement benefit plan in 2015.

(12) Legal Contingencies

USCCB has been named in several lawsuits in the normal course of business. In the opinion of management, these claims are not expected to have a material adverse effect on USCCB's consolidated financial position, changes in net assets or cash flows.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(13) Commitments

USCCB leases certain office space and office equipment under various operating lease arrangements with terms in excess of one year. Future minimum lease payments as of December 31, 2015, under scheduled operating leases that have initial or remaining terms in excess of one year, are as follows:

2016	\$	332,897
2017		263,925
2018		176,475
2019		<u>180,035</u>
Total	\$	<u><u>953,332</u></u>

For the years ended December 31, 2015 and 2014, rent expense under operating leases was \$596,350 and \$407,656, respectively.

USCCB has employment contracts with diocesan priests and for the services of religious men and women usually for periods not to exceed three years.

As of December 31, 2015 and 2014, the total aggregate payment of multi-year employment contracts consists of the following:

	<u>2015</u>	<u>2014</u>
Contracts extend through	2018	2017
Approximate aggregate payments	\$ 1,055,000	2,512,000

(14) Related Parties

As discussed in note 2(j), the Conference grants funds to several organizations upon approval by the respective subcommittees of the Bishops. Two of organizations that receive grant funds from the Conference, CLINIC and CRS are determined to be related parties. Specifically, the President of the Conference, or his designee, serves as the chairman and the ex-officio chairman of CLINIC's and CRS's board of directors, respectively.

For the years ended December 31, 2015 and 2014, the Conference incurred expenses, primarily related to grant awards as follows:

		<u>2015</u>	<u>2014</u>
CLINIC	\$	2,267,547	2,797,343
CRS		<u>19,765,404</u>	<u>32,812,994</u>
Total expenses for related parties	\$	<u><u>22,032,951</u></u>	<u><u>35,610,337</u></u>

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

As of December 31, 2015 and 2014, the Conference owed an outstanding grant payable balance to CLINIC and CRS as follows:

	<u>2015</u>	<u>2014</u>
CLINIC	\$ 2,128,099	2,091,752
CRS	<u>12,124,828</u>	<u>11,906,895</u>
Total amounts due to related parties	\$ <u>14,252,927</u>	<u>13,998,647</u>

(15) Subsequent Events

USCCB evaluated its December 31, 2015 consolidated financial statements for subsequent events through June 20, 2016, the date the consolidated financial statements were available to be issued. There were no items that required disclosure or recognition.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
CONSOLIDATED SCHEDULE OF REVENUE, EXPENSES, AND OTHER CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2015

	Total	General Funds	Villa Stritch Endowment	CURRENT OPERATING FUND				National Collections
				Total Current Operating Fund	Pastoral Activities	Policy Activities	Management and General	
Revenue:								
Contributions:								
Diocesan assessment	\$ 10,961,362	10,961,362	-	-	-	-	-	-
National collections	88,999,330	-	-	-	-	-	-	88,999,330
Grants, bequests, and other	6,756,766	29,251	-	3,732,415	1,099,575	1,637,680	995,160	2,995,100
Government contracts and grants revenue	80,733,062	-	-	80,733,062	342	80,742,829	(10,109)	-
Income on investments	9,869,607	2,573,710	8,770	-	-	-	-	7,287,127
Sale of publications	7,152,314	-	-	7,152,314	78,901	7,072,531	882	-
Royalty income	2,734,195	-	-	2,734,195	-	359,463	2,374,732	-
Collection fees on refugee loans	3,524,395	-	-	3,524,395	-	3,524,395	-	-
Contributed services	425,430	-	-	425,430	91,239	-	334,191	-
Other	1,504,002	261,256	-	1,180,632	642,244	176,547	361,841	62,114
Total revenue	212,660,463	13,825,579	8,770	99,482,443	1,912,301	93,513,445	4,056,697	99,343,671
Expenses:								
Grants and donations	108,549,365	2,000	-	663,212	29,430	394,336	239,446	107,884,153
Sub-recipient government contract expenses	70,131,305	-	-	70,131,305	-	70,131,305	-	-
Promotion and fundraising expenses	2,298,792	-	-	168,341	-	-	168,341	2,130,451
Salaries, taxes and benefits	32,991,714	(925,149)	-	32,492,588	4,625,477	18,995,912	8,871,199	1,424,275
Travel and meetings	6,834,769	1,324,581	-	5,018,280	863,791	3,289,116	865,373	491,908
Professional and contract services	10,499,227	143,136	-	9,828,710	961,541	5,616,601	3,250,568	527,381
Printing and mailing	2,527,937	16,183	-	2,479,132	124,255	1,078,220	1,276,657	32,622
Other program and operating expenses	7,675,645	293,748	-	6,384,802	1,043,816	6,552,366	(1,211,380)	997,095
Interfund charges	-	(6,626,988)	-	6,152,528	108,169	5,809,939	234,420	474,460
Total expenses	241,508,754	(5,772,489)	-	133,318,898	7,756,479	111,867,795	13,694,624	113,962,345
Fund transfers	-	1,558,427	(11,899)	12,090,683	688,604	12,732,602	(1,330,523)	(13,637,211)
Changes in net assets from operations	(28,848,291)	21,156,495	(3,129)	(21,745,772)	(5,155,574)	(5,621,748)	(10,968,450)	(28,255,885)
Non-operating activities:								
Unrealized (loss) gain on investments	(10,779,735)	(2,811,046)	(9,579)	-	-	-	-	(7,959,110)
Pension related expenses other than net periodic pension cost	1,085,117	1,085,117	-	-	-	-	-	-
Total non-operating activities	(9,694,618)	(1,725,929)	(9,579)	-	-	-	-	(7,959,110)
Changes in net assets before General Funds subsidy	(38,542,909)	19,430,566	(12,708)	(21,745,772)	(5,155,574)	(5,621,748)	(10,968,450)	(36,214,995)
General Funds subsidy to cover deficit	-	(17,889,593)	-	17,889,593	4,675,270	2,245,873	10,968,450	-
Changes in net assets	(38,542,909)	1,540,973	(12,708)	(3,856,179)	(480,304)	(3,375,875)	-	(36,214,995)
Net assets at the beginning of the year	256,269,201	84,757,597	238,791	(52,843,081)	480,304	(2,418,877)	(50,904,508)	224,115,894
Net assets at the end of the year	\$ 217,726,292	86,298,570	226,083	(56,699,260)	-	(5,794,752)	(50,904,508)	187,900,899

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
GENERAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	Total General Funds	Operating Fund	Building Fund	General Reserve Fund	Catechism Fund	Quasi - Endowment Fund
Revenue:						
Diocesan assessment	\$ 10,961,362	10,961,362	-	-	-	-
Grants, bequests, and other	29,251	29,251	-	-	-	-
Income on investments	2,573,710	658,415	770,564	-	37,658	1,107,073
Other	261,256	261,256	-	-	-	-
Total revenue	<u>13,825,579</u>	<u>11,910,284</u>	<u>770,564</u>	<u>-</u>	<u>37,658</u>	<u>1,107,073</u>
Expenses:						
Grants and donations	2,000	2,000	-	-	-	-
Salaries, taxes and benefits	(925,149)	(925,149)	-	-	-	-
Travel and meetings	1,324,581	1,324,581	-	-	-	-
Professional and contract services	143,136	143,136	-	-	-	-
Printing and mailing	16,183	16,183	-	-	-	-
Other program and operating expenses	293,748	293,748	-	-	-	-
Interfund charges	(6,626,988)	(6,626,988)	-	-	-	-
Total expenses	<u>(5,772,489)</u>	<u>(5,772,489)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund transfers	<u>1,558,427</u>	<u>4,166,111</u>	<u>411,899</u>	<u>(1,371,829)</u>	<u>-</u>	<u>(1,647,754)</u>
Changes in net assets from operations	<u>21,156,495</u>	<u>21,848,884</u>	<u>1,182,463</u>	<u>(1,371,829)</u>	<u>37,658</u>	<u>(540,681)</u>
Non-operating activities:						
Unrealized loss on investments	(2,811,046)	(719,132)	(841,622)	-	(41,130)	(1,209,162.00)
Pension related expenses other than net periodic pension cost	1,085,117	1,085,117	-	-	-	-
Total non-operating activities	<u>(1,725,929)</u>	<u>365,985</u>	<u>(841,622)</u>	<u>-</u>	<u>(41,130)</u>	<u>(1,209,162)</u>
Changes in net assets before General Funds subsidy	19,430,566	22,214,869	340,841	(1,371,829)	(3,472)	(1,749,843)
General Funds subsidy to cover deficit	<u>(17,889,593)</u>	<u>(17,889,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	1,540,973	4,325,276	340,841	(1,371,829)	(3,472)	(1,749,843)
Net assets at the beginning of the year	<u>84,757,597</u>	<u>12,940,506</u>	<u>35,703,525</u>	<u>5,000,000</u>	<u>1,052,311</u>	<u>30,061,255</u>
Net assets at the end of the year	<u>\$ 86,298,570</u>	<u>17,265,782</u>	<u>36,044,366</u>	<u>3,628,171</u>	<u>1,048,839</u>	<u>28,311,412</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
PASTORAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	Total Pastoral Activities	Cultural Diversity	Child & Youth Protection	Canonical	Divine Worship	Doctrine & Pastoral Practices	Ecumenical	Evangelization & Catechesis	Laity Marriage & Family Life	Clergy
				Affairs & Church Governance			& Interreligious Affairs			Consecrated Life & Vocation
Revenue:										
Grants, bequests and other	\$ 1,099,575	429,500	-	-	-	-	-	-	670,075	-
Government contract revenue	342	125	-	-	-	-	-	-	-	217
Sale of publications	78,901	1,297	-	-	49,070	-	70	214	28,250	-
Contributed services	91,239	4,643	-	-	38,742	-	-	-	4,542	43,312
Other	642,244	10,921	565,921	-	1,730	-	18,250	-	-	45,422
Total revenue	1,912,301	446,486	565,921	-	89,542	-	18,320	214	702,867	88,951
Expenses:										
Grants and donations	29,430	29,340	-	-	-	-	-	90	-	-
Salaries, taxes and benefits	4,625,477	1,026,716	472,721	345	318,337	450,326	631,777	656,009	878,648	190,598
Travel and meetings	863,791	197,580	175,516	7,212	40,493	35,361	96,077	68,192	153,838	89,522
Professional and contract services	961,541	117,532	669,509	3,500	4,772	1,500	850	30,650	114,228	19,000
Printing and mailing	124,255	26,951	5,944	3,870	41,763	3,581	6,311	5,779	28,259	1,797
Other program and operating expenses	1,043,816	206,379	78,312	384	145,188	54,304	110,804	90,269	212,690	145,486
Interfund charges	108,169	108,169	-	-	-	-	-	-	-	-
Total expenses	7,756,479	1,712,667	1,402,002	15,311	550,553	545,072	845,819	850,989	1,387,663	446,403
Fund transfers	688,604	677,604	-	-	-	1,000	-	-	5,000	5,000
Changes in net assets before General Funds subsidy	(5,155,574)	(588,577)	(836,081)	(15,311)	(461,011)	(544,072)	(827,499)	(850,775)	(679,796)	(352,452)
General Funds subsidy to cover deficit	4,675,270	348,745	836,081	15,311	461,011	544,072	791,192	850,775	502,581	325,502
Changes in net assets	(480,304)	(239,832)	-	-	-	-	(36,307)	-	(177,215)	(26,950)
Net assets at the beginning of the year	480,304	239,832	-	-	-	-	36,307	-	177,215	26,950
Net assets at the end of the year	\$ -	-	-	-	-	-	-	-	-	-

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
POLICY ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	Total Policy Activities	Migration and Refugee Services	Communications Department	Office of Sec- Policy	Catholic Education	Pro-Life Activities	Development and World Peace
Revenue:							
Grants, bequests, and other	\$ 1,637,680	329,100	-	385,362	30,000	773,648	119,570
Government contract revenue	80,742,829	80,742,778	13	-	-	-	38
Royalty income	359,463	-	359,463	-	-	-	-
Sale of publications	7,072,531	4,857	6,852,378	-	-	214,579	717
Collection fees on refugee loans	3,524,395	3,524,395	-	-	-	-	-
Other	176,547	(7,100)	1,733	-	7,100	14,480	160,334
Total revenue	<u>93,513,445</u>	<u>84,594,030</u>	<u>7,213,587</u>	<u>385,362</u>	<u>37,100</u>	<u>1,002,707</u>	<u>280,659</u>
Expenses:							
Grants and donations	394,336	167,513	2,150	-	8,516	870	215,287
Sub-recipient government contract expenses	70,131,305	70,131,305	-	-	-	-	-
Salaries, taxes, and benefits	18,995,912	8,995,128	4,992,695	702,649	617,008	952,371	2,736,061
Travel and meetings	3,289,116	572,340	1,928,181	25,226	67,857	158,121	537,391
Professional and contract services	5,616,601	798,767	4,008,046	123,634	67,165	427,406	191,583
Printing and mailing	1,078,220	271,650	595,569	2,235	9,053	153,893	45,820
Other program and operating expenses	6,552,366	1,504,966	4,076,614	94,023	130,419	278,573	467,771
Interfund charges	5,809,939	2,928,329	1,572,259	9,315	-	383,295	916,741
Total expenses	<u>111,473,459</u>	<u>85,202,485</u>	<u>17,173,364</u>	<u>957,082</u>	<u>891,502</u>	<u>2,353,659</u>	<u>4,895,367</u>
Fund transfers	<u>12,732,602</u>	<u>1,526,540</u>	<u>7,075,570</u>	<u>102,565</u>	<u>-</u>	<u>(4,400)</u>	<u>4,032,327</u>
Changes in net assets before General Funds subsidy	(5,227,412)	918,085	(2,884,207)	(469,155)	(854,402)	(1,355,352)	(582,381)
General Funds subsidy to cover deficit	<u>2,245,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>820,377</u>	<u>1,174,423</u>	<u>251,073</u>
Changes in net assets	(2,981,539)	918,085	(2,884,207)	(469,155)	(34,025)	(180,929)	(331,308)
Net assets at the beginning of the year	<u>(2,418,877)</u>	<u>3,075,429</u>	<u>(6,749,204)</u>	<u>483,963</u>	<u>42,541</u>	<u>181,799</u>	<u>546,595</u>
Net assets at the end of the year	<u>\$ (5,400,416)</u>	<u>3,993,514</u>	<u>(9,633,411)</u>	<u>14,808</u>	<u>8,516</u>	<u>870</u>	<u>215,287</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
MIGRATION AND REFUGEE SERVICES
YEAR ENDED DECEMBER 31, 2015

	Total Migration and Refugee Services	Government Grant/Contract Activity	Other	Unrestricted Funds
Revenue:				
Grants, bequests, and other	\$ 329,100	(6,055)	331,034	4,121
Government contracts and grants revenue	80,742,778	80,706,612	36,166	-
Sale of publications	4,857	310	-	4,547
Collection fees on refugee loans	3,524,395	-	-	3,524,395
Other	(7,100)	(10,109)	-	3,009
Total revenue	<u>84,594,030</u>	<u>80,690,758</u>	<u>367,200</u>	<u>3,536,072</u>
Expenses:				
Sub-recipient government contract expenses	70,131,305	69,971,889	124,776	34,640
Grants and donations	167,513	1,034	20,549	145,930
Salaries, taxes, and benefits	8,995,128	7,437,322	47,439	1,510,367
Travel and meetings	572,340	335,825	124,974	111,541
Professional and contract services	798,767	390,099	287,397	121,271
Printing and mailing	271,650	33,736	17,073	220,841
Other program and operating expenses	1,504,966	1,197,414	39,206	268,346
Interfund charges	2,928,329	1,996,524	15,253	916,552
Total expenses	<u>85,369,998</u>	<u>81,363,843</u>	<u>676,667</u>	<u>3,329,488</u>
Fund transfers	<u>1,526,540</u>	<u>7,367,892</u>	<u>890,892</u>	<u>(6,732,244)</u>
Changes in net assets	750,572	6,694,807	581,425	(6,525,660)
Net assets at the beginning of the year	<u>3,075,429</u>	<u>(6,615,615)</u>	<u>(299,262)</u>	<u>9,990,306</u>
Net assets at the end of the year	<u>\$ 3,826,001</u>	<u>79,192</u>	<u>282,163</u>	<u>3,464,646</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
COMMUNICATIONS DEPARTMENT
YEAR ENDED DECEMBER 31, 2015

	Total Communications Department	General Communication	Catholic News Service	Customer and Client Relations
Revenue:				
Government contracts and grants revenue	\$ 13	-	13	-
Sale of publications	6,852,378	10	4,259,357	2,593,011
Royalty income	359,463	-	44,725	314,738
Other	1,733	-	1,733	-
Total revenue	<u>7,213,587</u>	<u>10</u>	<u>4,305,828</u>	<u>2,907,749</u>
Expenses:				
Grants and donations	2,150	1,500	650	-
Salaries, taxes, and benefits	4,992,695	1,569,921	2,703,499	719,275
Travel and meetings	1,928,181	1,586,766	248,560	92,855
Professional and contract services	4,008,046	2,419,756	742,114	846,176
Printing and mailing	595,569	114,832	169,012	311,725
Other program and operating expenses	4,076,614	932,095	626,144	2,518,375
Interfund charges	1,572,259	479,913	851,097	241,249
Total expenses	<u>17,175,514</u>	<u>7,104,783</u>	<u>5,341,076</u>	<u>4,729,655</u>
Fund transfers	<u>7,075,570</u>	<u>5,921,216</u>	<u>978,719</u>	<u>175,635</u>
Changes in net assets	(2,886,357)	(1,183,557)	(56,529)	(1,646,271)
Net assets at the beginning of the year	<u>(6,749,204)</u>	<u>(3,219,554)</u>	<u>(8,256,659)</u>	<u>4,727,009</u>
Net assets at the end of the year	<u><u>\$ (9,635,561)</u></u>	<u><u>(4,403,111)</u></u>	<u><u>(8,313,188)</u></u>	<u><u>3,080,738</u></u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
NATIONAL COLLECTIONS
YEAR ENDED DECEMBER 31, 2015

	Total National Collections	CRS	CCHD	CLA	Haiti					Special Collections - Disaster Relief							
					Earthquake	CCC	CHM	AEE	SFCA	NRRO	Hurricane	Tornado	Prior Years' Calamities	Storms	Philippine Typhoon	Middle East	
Revenue:																	
National collection contributions	\$ 88,999,330	17,228,740	9,763,744	7,041,282	581	3,893,386	9,187,145	7,665,851	2,548,573	27,022,630	8,153	-	-	54,682	967,180	3,617,383	
Grants, bequests, and other	2,995,100	5,500	260,158	-	-	-	-	-	-	2,729,442	-	-	-	-	-	-	
Income on investments	7,287,127	885,577	1,689,208	435,154	364,907	412,284	852,237	472,419	118,168	1,642,424	29,089	36,486	84,362	104,169	58,107	102,536	
Other	62,114	-	-	-	62,114	-	-	-	-	-	-	-	-	-	-	-	
Total revenue	99,343,671	18,119,817	11,713,110	7,476,436	427,602	4,305,670	10,039,382	8,138,270	2,666,741	31,394,496	37,242	36,486	84,362	158,851	1,025,287	3,719,919	
Expenses:																	
Grants and donations	107,884,153	15,561,304	13,596,320	6,871,553	705,350	1,549,927	10,207,679	7,700,488	2,317,629	32,072,872	865,898	1,989,256	-	5,474,395	424,849	8,546,633	
Promotion and fundraising expenses	2,130,451	208,725	429,304	204,156	12,068	151,288	239,771	170,389	62,381	652,369	-	-	-	-	-	-	
Salaries, taxes and benefits	1,424,275	-	-	240,630	186,186	-	199,431	253,571	940	543,517	-	-	-	-	-	-	
Travel and meetings	491,908	-	-	67,037	19,323	-	30,206	152,502	31,033	191,807	-	-	-	-	-	-	
Professional and contract services	527,381	12,500	-	900	2,688	-	-	5,057	129,342	376,894	-	-	-	-	-	-	
Printing and mailing	32,622	-	-	-	-	-	1,278	865	1,275	29,204	-	-	-	-	-	-	
Other program and operating expenses	997,095	47,155	58,434	255,491	64,977	(104,031)	256,922	213,845	99,690	104,612	-	-	-	-	-	-	
Interfund charges	474,460	-	-	83,892	61,548	-	65,945	83,198	310	179,567	-	-	-	-	-	-	
Total expenses	113,962,345	15,829,684	14,084,058	7,723,659	1,052,140	1,597,184	11,001,232	8,579,915	2,642,600	34,150,842	865,898	1,989,256	-	5,474,395	424,849	8,546,633	
Fund transfers	(13,637,211)	(2,989,386)	(2,806,049)	(445,856)	-	(7,395,920)	3,000,000	-	-	-	-	-	(3,000,000)	-	-	-	
Changes in net assets from operations	(28,255,885)	(699,253)	(5,176,997)	(693,079)	(624,538)	(4,687,434)	2,038,150	(441,645)	24,141	(2,756,346)	(828,656)	(1,952,770)	(2,915,638)	(5,315,544)	600,438	(4,826,714)	
Non-operating activities:																	
Unrealized (loss) gain on investments	(7,959,110)	(967,242)	(1,844,978)	(475,281)	(398,558)	(450,303)	(930,826)	(515,983)	(129,065)	(1,793,880)	(31,771)	(39,851)	(92,141)	(113,776)	(63,464)	(111,991)	
Changes in net assets	(36,214,995)	(1,666,495)	(7,021,975)	(1,168,360)	(1,023,096)	(5,137,737)	1,107,324	(957,628)	(104,924)	(4,550,226)	(860,427)	(1,992,621)	(3,007,779)	(5,429,320)	536,974	(4,938,705)	
Net assets at the beginning of the year	224,115,894	13,478,725	53,089,705	11,823,817	13,864,174	14,195,390	15,039,228	11,974,662	2,898,535	69,370,499	862,446	1,989,205	3,857,429	5,444,152	896,111	5,331,816	
Net assets at the end of the year	\$ 187,900,899	\$ 11,812,230	\$ 46,067,730	\$ 10,655,457	\$ 12,841,078	\$ 9,057,653	\$ 16,146,552	\$ 11,017,034	\$ 2,793,611	\$ 64,820,273	\$ 2,019	\$ (3,416)	\$ 849,650	\$ 14,832	\$ 1,433,085	\$ 393,111	

See accompanying independent auditors' report.