



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

Consolidated Financial Statements with Supplemental Schedules

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

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

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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, 2014 and 2013, 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, 2014 and 2013, 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 2014 supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the 2014 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 2014 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 2014 consolidated financial statements or to the 2014 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

June 23, 2015

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

Consolidated Statements of Financial Position

December 31, 2014 and 2013

Assets	2014	2013
Cash and cash equivalents	\$ 13,327,524	5,566,061
Short-term investments	218,565	235,496
Accounts receivable:		
Resettlement and other programs – government agencies, net (note 2(i))	19,711,175	17,336,809
Other, net (note 2(i))	2,644,344	2,801,550
Contributions receivable (note 2(i))	46,884,916	54,090,187
Inventories, net, prepaid expenses and other assets	1,536,108	1,407,719
Long-term investments (note 7)	287,544,429	295,247,354
Property and equipment, net (note 4)	14,815,067	15,847,428
Total assets	\$ 386,682,128	392,532,604
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 14,298,684	12,087,844
National collections grants payable (note 2(j))	41,455,868	37,598,777
Accrued pension liability (note 10)	44,170,828	32,700,993
Accrued postretirement benefit liability (note 11)	30,487,547	28,255,339
Total liabilities	130,412,927	110,642,953
Net assets:		
Unrestricted net assets:		
General and current operating funds (note 5)	31,914,516	45,470,216
National collections (note 6)	113,742,258	114,407,028
National Religious Retirement Office (note 6)	36,557,946	33,308,667
Total unrestricted net assets	182,214,720	193,185,911
Temporarily restricted net assets (note 6):		
National collections	41,003,138	51,828,417
National Religious Retirement Office	32,812,552	36,640,868
Total temporarily restricted net assets	73,815,690	88,469,285
Permanently restricted net assets (note 9)	238,791	234,455
Total net assets	256,269,201	281,889,651
Commitments and contingencies (notes 12 and 13)		
Total liabilities and net assets	\$ 386,682,128	392,532,604

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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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 8)	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	<u>83,296,304</u>	<u>—</u>	<u>—</u>	<u>83,296,304</u>
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	<u>128,136,467</u>	<u>—</u>	<u>—</u>	<u>128,136,467</u>
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 8)	(1,236,126)	—	—	(1,236,126)
Pension related changes other than net periodic pension cost (notes 10 and 11)	<u>(17,828,763)</u>	<u>—</u>	<u>—</u>	<u>(17,828,763)</u>
Total nonoperating activities	<u>(19,064,889)</u>	<u>—</u>	<u>—</u>	<u>(19,064,889)</u>
Change in net assets	(10,971,191)	(14,653,595)	4,336	(25,620,450)
Net assets, beginning of year	<u>193,185,911</u>	<u>88,469,285</u>	<u>234,455</u>	<u>281,889,651</u>
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
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Consolidated Statement of Activities

Year ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenues, gains and other support:				
Contributions:				
Diocesan assessments	\$ 10,656,551	—	—	10,656,551
National collections	—	108,368,904	—	108,368,904
Grants, bequests and other	2,320,087	1,281,808	—	3,601,895
Government contracts and grants revenue (note 3)	73,715,703	—	—	73,715,703
Income on investments (note 8)	22,001,488	10,605	22,357	22,034,450
Sale of publications	6,544,813	—	—	6,544,813
Royalty income	2,471,607	—	—	2,471,607
Collection fees on refugee loans	3,391,647	—	—	3,391,647
Contributed services	459,333	—	—	459,333
Other	1,832,374	—	—	1,832,374
	<u>123,393,603</u>	<u>109,661,317</u>	<u>22,357</u>	<u>233,077,277</u>
Net assets released from restrictions	<u>105,075,286</u>	<u>(105,075,286)</u>	<u>—</u>	<u>—</u>
Total operating revenues, gains and other support	<u>228,468,889</u>	<u>4,586,031</u>	<u>22,357</u>	<u>233,077,277</u>
Operating expenses:				
Program services:				
Pastoral activities	7,625,325	—	—	7,625,325
Migration and refugee services (note 3):				
Subrecipient government contract expense	64,191,895	—	—	64,191,895
Other	16,675,172	—	—	16,675,172
Total migration refugee services	<u>80,867,067</u>	<u>—</u>	<u>—</u>	<u>80,867,067</u>
Communications, policy and advocacy activities	15,633,607	—	—	15,633,607
National collections:				
Grants and donations	94,940,575	—	—	94,940,575
Other	3,286,643	—	—	3,286,643
Total national collections	<u>98,227,218</u>	<u>—</u>	<u>—</u>	<u>98,227,218</u>
Total program expenses	<u>202,353,217</u>	<u>—</u>	<u>—</u>	<u>202,353,217</u>
Supporting services:				
Management and general	12,958,169	—	—	12,958,169
National collections – fundraising	2,108,072	—	—	2,108,072
Total supporting services expenses	<u>15,066,241</u>	<u>—</u>	<u>—</u>	<u>15,066,241</u>
Total expenses	<u>217,419,458</u>	<u>—</u>	<u>—</u>	<u>217,419,458</u>
Increase (decrease) in net assets from operations	<u>11,049,431</u>	<u>4,586,031</u>	<u>22,357</u>	<u>15,657,819</u>
Nonoperating activities:				
Unrealized appreciation (depreciation) on investments (note 8)	22,587,948	—	—	22,587,948
Pension related changes other than net periodic pension cost (notess 10 and 11)	<u>28,073,207</u>	<u>—</u>	<u>—</u>	<u>28,073,207</u>
Total nonoperating activities	<u>50,661,155</u>	<u>—</u>	<u>—</u>	<u>50,661,155</u>
Change in net assets	61,710,586	4,586,031	22,357	66,318,974
Net assets, beginning of year	<u>131,475,325</u>	<u>83,883,254</u>	<u>212,098</u>	<u>215,570,677</u>
Net assets, end of year	<u>\$ 193,185,911</u>	<u>88,469,285</u>	<u>234,455</u>	<u>281,889,651</u>

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Consolidated Statement of Cash Flows
Years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (25,620,450)	66,318,974
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Allowance for doubtful accounts and obsolescence	2,579	(67,696)
Depreciation expense	1,446,095	1,314,363
Net realized and unrealized gains on long-term investments	(17,986,215)	(41,326,211)
(Increase) decrease in operating assets:		
Accounts receivable:		
Resettlement and other programs – government agencies	(2,374,366)	(4,368,723)
Other	154,627	(271,055)
Contributions receivable	7,205,271	9,689,806
Inventories, prepaid expenses and other assets	(128,389)	(274,824)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	2,210,840	(4,811,688)
National collections grants payable	3,857,091	(1,238,257)
Accrued pension liability	11,469,835	(13,757,982)
Accrued postretirement benefit liability	2,232,208	(11,664,044)
Net cash used in operating activities	(17,530,874)	(457,337)
Cash flows from investing activities:		
Purchases of property and equipment	(413,734)	(1,716,581)
Sales of investments	260,711,182	139,549,347
Purchases of investments	(235,005,111)	(138,403,494)
Net cash provided by (used in) investing activities	25,292,337	(570,728)
Increase (decrease) in cash and cash equivalents	7,761,463	(1,028,065)
Cash and equivalents, beginning of year	5,566,061	6,594,126
Cash and equivalents, end of year	\$ 13,327,524	5,566,061

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Notes to Consolidated Financial Statements

December 31, 2014 and 2013

(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 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.

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Notes to Consolidated Financial Statements

December 31, 2014 and 2013

National collections are summarized as follows:

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

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Notes to Consolidated Financial Statements

December 31, 2014 and 2013

(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.

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, 2014 and 2013.

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

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Notes to Consolidated Financial Statements

December 31, 2014 and 2013

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.

(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, 2014 and 2013, 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 \$139,320 and \$135,312, 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.

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Notes to Consolidated Financial Statements

December 31, 2014 and 2013

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.

(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, 2014 and 2013, other 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 \$65,118 and \$67,697, 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, 2014 and 2013 relating to contributions receivable. Contributions receivable is measured at net realizable value (Level 2 input).

At December 31, 2014 and 2013, Accounts receivable-Resettlement and other programs consisted of the following:

	2014	2013
U.S. Refugee Admissions Program	\$ 10,364,981	9,128,169
Refugee and Entrant Assistance-Voluntary Agency Program	5,303,043	4,750,977
Refugee and Entrant Assistance-Discretionary Grants	654,198	77,877
Unaccompanied Alien Children Program	2,635,384	2,392,286
Cuban/Haitian Entrant Resettlement Program	753,569	987,500
Total accounts receivable-resettlements and other programs	\$ 19,711,175	17,336,809

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Notes to Consolidated Financial Statements

December 31, 2014 and 2013

At December 31, 2014 and 2013, contributions receivable consisted of the following:

	<u>2014</u>	<u>2013</u>
Catholic Campaign for Human Development	\$ 8,738,465	8,928,944
Catholic Communications Campaign	705,359	700,005
Catholic Homes Missions Appeal	1,463,725	1,477,998
Catholic Relief Service Collection	2,369,245	2,012,341
Collection for the Church in Latin America	936,692	888,110
Collection for Rebuild of Churches hit by Haiti earthquake	8,436,364	15,326,434
Aid to the Church in Central and Eastern Europe	1,062,631	1,147,114
National Religious Retirement Office	23,172,435	23,604,266
Other	—	4,975
Total contributions receivable	<u>\$ 46,884,916</u>	<u>54,090,187</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.

At December 31, 2014 and 2013, grants payable consisted of the following:

	<u>2014</u>	<u>2013</u>
Catholic Campaign for Human Development	\$ 5,133,767	4,249,750
Catholic Communications Campaign	375,817	476,420
Catholic Homes Missions Appeal	8,937,395	8,484,000
Catholic Relief Service Collection	13,998,647	16,145,455
Collection for the Church in Latin America	1,156,025	1,756,707
Collection for Rebuild of Churches hit by Haiti earthquake	6,358,660	1,373,451
Aid to the Church in Central and Eastern Europe	2,802,206	2,526,928
National Religious Retirement Office	13,258	8,474
Other	2,680,093	2,577,592
Total grants payable	<u>\$ 41,455,868</u>	<u>37,598,777</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, 2014 and 2013, cash and investments were placed with major financial institutions and, accordingly, management does not expect nonperformance.

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(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, 2014 and 2013, total contributed services revenue was \$511,631 and \$459,333.

(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.

(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.

(3) Migration and Refugee Services and Programs

Since 1975, USCCB, directly and through its affiliation with the International Catholic Migration Commission in Geneva, Switzerland, 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.

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USCCB was reimbursed \$10,798,023 and \$9,776,186 for direct administrative costs and program services provided for resettlement activities for the years ended December 31, 2014 and 2013. USCCB incurred sub-recipient expenses under these government contracts of \$68,442,579 and \$64,191,895 for the years ended December 31, 2014 and 2013, respectively, and corresponding revenue has been recognized. Government contracts and grants revenue consisted of the following:

	<u>2014</u>	<u>2013</u>
U.S. Refugee Admissions Program	\$ 44,942,353	37,146,720
Refugee and Entrant Assistance-Voluntary Agency Programs	18,411,534	22,213,312
Refugee and Entrant Assistance-Discretionary Grants	1,960,428	298,296
Unaccompanied Alien Children Program	9,778,252	10,069,854
Cuban/Haitian Entrant Resettlement Program	4,497,945	3,972,521
Government Contract Revenue (Trafficking)	—	15,000
Total government contract and grants revenue	<u>\$ 79,590,512</u>	<u>73,715,703</u>

(4) Property and Equipment, Net

At December 31, 2014 and 2013, property and equipment, net, consisted of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 1,448,535	1,448,535
Buildings and improvements	33,363,669	33,056,933
Furniture and equipment	3,489,121	3,394,724
Fine artwork and paintings	500,025	500,025
Total property and equipment	38,801,350	38,400,217
Less accumulated depreciation and amortization	<u>(23,986,283)</u>	<u>(22,552,789)</u>
Total property and equipment, net	<u>\$ 14,815,067</u>	<u>15,847,428</u>

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

At December 31, 2014 and 2013, General and Current Operating Funds consisted of the following:

	<u>2014</u>	<u>2013</u>
Building fund	\$ 35,703,525	34,321,742
Quasi-endowment fund (note 9)	30,061,255	29,613,382
General reserve fund	5,000,000	5,000,000
Catechism fund	1,052,311	981,542
General and current operating funds	<u>(39,902,575)</u>	<u>(24,446,450)</u>
Total general and current operating funds	<u>\$ 31,914,516</u>	<u>45,470,216</u>

(6) National Collections and NRRO Net Assets

At December 31, 2014 and 2013, unrestricted and temporarily restricted net assets for national collections and NRRO were as follows:

	<u>2014</u>		<u>2013</u>	
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Unrestricted</u>	<u>Temporarily restricted</u>
NRRO	\$ 36,557,946	32,812,552	33,308,667	36,640,868
National Collections:				
CRSC	11,109,481	2,369,245	12,058,261	2,012,341
CCHD	44,351,240	8,738,466	49,184,316	8,928,944
CLA – Regular collection	10,887,124	936,692	10,944,092	888,110
CLA – Haiti Recovery Fund	2,179,584	11,684,590	1,453,180	21,571,176
CCC	13,490,031	705,359	12,871,561	700,005
CHM	13,575,503	1,463,725	12,089,150	1,877,061
Church in Africa	2,631,501	267,035	2,368,944	780,110
AEE	10,912,021	1,062,641	10,116,150	2,129,475
Special Collections – Disaster Relief	<u>4,605,773</u>	<u>13,775,385</u>	<u>3,321,374</u>	<u>12,941,195</u>
National collections	<u>113,742,258</u>	<u>41,003,138</u>	<u>114,407,028</u>	<u>51,828,417</u>
Total	<u>\$ 150,300,204</u>	<u>73,815,690</u>	<u>147,715,695</u>	<u>88,469,285</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.

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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.

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 2014 or 2013.

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 which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. 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.

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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>

At December 31, 2013, 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	\$ 5,206,339	—	5,206,339
U.S. government and agency securities	14,965,026	—	14,965,026
Corporate bonds	—	7,741,845	7,741,845
Domestic equity securities	150,868,694	—	150,868,694
Institutional mutual funds:			
Domestic equity funds	—	13,630,572	13,630,572
Foreign equity funds	—	22,850,344	22,850,344
Fixed income funds:			
U.S. government portfolio	—	19,091,427	19,091,427
International portfolio	—	21,494,913	21,494,913
Mortgage fund	—	14,368,577	14,368,577
Asset-backed fund	—	1,053,466	1,053,466
Mortgage-backed securities	1,704,972	19,199,250	20,904,222
Asset-backed securities	—	7,109,274	7,109,274
Receivables for securities sold	302,687	235,450	538,137
Liabilities for securities purchased	(256,228)	(4,319,254)	(4,575,482)
Total long-term investments	<u>\$ 172,791,490</u>	<u>122,455,864</u>	<u>295,247,354</u>

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Investments include cash equivalents held by long-term investment managers for reinvestment. There were no transfers between Levels 1 and 2 during 2014 and 2013.

Investments valued at NAV or its equivalent as of December 31, 2014 and 2013 consisted of the following:

<u>Investment</u>	<u>Investment strategy/risk</u>	<u>2014 NAV in funds</u>	<u>2013 NAV in funds</u>	<u>Redemption restrictions/ liquidity provisions</u>
Institutional mutual funds:				
International portfolio	Approximate the MSCI EAFE Index	\$ 20,766,668	21,494,913	Redemptions permitted at least twice a month
U.S. government portfolio	Approximate performance of Barclays Capital U.S. Intermediate Government Bond Index	19,795,278	19,091,427	Redemptions permitted daily
Mortgage fund	Approximate performance of Barclays Capital U.S. MBS Index	14,541,036	14,368,577	Redemptions permitted daily
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	21,772,130	22,850,344	Redemptions permitted daily/7 days prior notice
Domestic equity funds	Approximate the performance of Barclays Capital U.S. Credit Bond Index	14,880,622	13,630,572	Redemptions permitted daily

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<u>Investment</u>	<u>Investment strategy/risk</u>	<u>2014 NAV in funds</u>	<u>2013 NAV in funds</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	\$ 1,292,846	1,053,466	Redemptions permitted daily

The above funds have no unfunded commitments as of December 31, 2014 and 2013.

(8) Investment Income and Unrealized Appreciation/Depreciation

For the years ended December 31, 2014 and 2013, investment income consisted of the following:

	<u>2014</u>	<u>2013</u>
Long-term investments:		
Interest	\$ 1,307,354	1,339,269
Dividends	2,633,248	2,733,896
Realized gains (loss)	19,222,341	18,738,263
Return on long-term investments	23,162,943	22,811,428
Interest on short-term investments	21	556
Total investment income	23,162,964	22,811,984
Less investment management fees	(888,086)	(777,534)
USCCB's share of investment income	22,274,878	22,034,450
Unrealized (depreciation) appreciation	(1,236,126)	22,587,948
Total return on investments	<u>\$ 21,038,752</u>	<u>44,622,398</u>

(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.

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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.

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 Villa Stritch Endowment fund net assets for the year ended December 31, 2013:

	Temporarily restricted	Permanently restricted	Total
Balance as of January 1, 2013	\$ —	212,098	212,098
Investment income	10,605	22,357	32,962
Distribution	(10,605)	—	(10,605)
Balance as of December 31, 2013	<u>\$ —</u>	<u>234,455</u>	<u>234,455</u>

The following illustrates the changes in unrestricted, board-designated Quasi-Endowment fund net assets for the years ended December 31, 2014 and 2013:

	2014	2013
Unrestricted, board-designated Quasi-Endowment funds, beginning of year	\$ 29,613,382	27,035,013
Investment return – investment income	2,197,470	4,307,810
Transfer to General Operating Fund (spending rate 5.5%)	(1,749,597)	(1,729,441)
Unrestricted, board-designated Quasi-Endowment funds, end of year	<u>\$ 30,061,255</u>	<u>29,613,382</u>

Realized and unrealized appreciation (depreciation) is allocated to the Quasi-Endowment fund. In 2014 and 2013, 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.

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(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.

In 2012, 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 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Accumulated benefit obligation	\$ 105,416,271	90,283,331
Change in benefit obligation:		
Benefit obligation, beginning of year	90,283,331	96,020,620
Service cost	—	2,012,205
Interest cost	4,130,377	3,788,412
Actuarial loss (gain)	15,466,906	(7,283,270)
Benefits paid	(4,464,343)	(4,254,636)
Benefit obligation, end of year	<u>105,416,271</u>	<u>90,283,331</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	57,582,338	49,561,655
Actual return on plan assets	4,121,880	8,511,192
Employer contributions	4,005,568	3,764,127
Benefits paid	(4,464,343)	(4,254,636)
Fair value of plan assets, end of year	<u>61,245,443</u>	<u>57,582,338</u>
Funded status – underfunded	<u>\$ 44,170,828</u>	<u>32,700,993</u>
Items not yet recognized as a component of net periodic pension benefit cost:		
Net actuarial loss	\$ 29,913,353	14,797,370
Net periodic benefit cost:		
Service cost	\$ —	2,012,205
Interest cost	4,130,377	3,788,412
Expected return on plan assets	(3,921,177)	(3,371,036)
Amortization of net actuarial loss	<u>150,220</u>	<u>2,472,647</u>
Net periodic benefit cost	<u>\$ 359,420</u>	<u>4,902,228</u>

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	2014	2013
Changes other than net periodic benefit cost:		
Net actuarial loss (gain)	\$ 15,266,203	(12,423,426)
Amortization of net loss	(150,220)	(2,472,647)
Changes other than net periodic benefit costs	\$ 15,115,983	(14,896,073)

The assumptions used to determine the benefit obligation in the actuarial valuations at December 31, 2014 and 2013 were as follows:

	2014	2013
Discount rate	3.97%	4.80%
Salary increase	N/A	4.25

The assumptions used to determine the net periodic benefit cost in the actuarial valuations at December 31, 2014 and 2013 were as follows:

	2014	2013
Discount rate	4.80%	3.94%
Salary increase	N/A	4.25
Expected return on plan assets	6.85	6.85

Estimated amounts to be amortized into net periodic benefit cost in 2014 are \$656,224 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:

2015		\$ 4,865,000
2016		5,003,000
2017		5,153,000
2018		5,338,000
2019		5,566,000
2020–2024		29,825,000

USCCB plans to make a contribution of \$1,799,049 to the pension plan in 2015.

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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, 2014, the following table summarizes the plan assets within the fair value hierarchy (see note 6):

	<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 investments	<u>\$ 36,620,904</u>	<u>24,624,539</u>	<u>61,245,443</u>

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At December 31, 2013, the following table summarizes the plan assets within the fair value hierarchy (see note 6):

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 732,957	—	732,957
U.S. government and agency securities	3,125,936	—	3,125,936
Corporate bonds	—	1,432,091	1,432,091
Domestic equity securities	30,086,096	—	30,086,096
Institutional mutual funds:			
Domestic equity funds	—	2,549,696	2,549,696
Foreign equity funds	—	4,904,083	4,904,083
Fixed income funds:			
U.S. government portfolio	—	7,296,248	7,296,248
Mortgage fund	—	2,683,301	2,683,301
Asset-backed fund	—	197,289	197,289
Mortgage-backed securities	391,844	3,662,354	4,054,198
Asset-backed securities	—	1,140,545	1,140,545
Receivables for securities sold	335,867	132,495	468,362
Liabilities for securities purchased	(72,937)	(1,015,527)	(1,088,464)
Total investments	<u>\$ 34,599,763</u>	<u>22,982,575</u>	<u>57,582,338</u>

The actual asset allocations for 2014 and target allocation ranges by asset category for 2013 and 2014 for the pension plan assets were as follows:

	<u>2014</u>	<u>2013</u>	<u>Target allocation range</u>
Cash and cash equivalents	2%	1%	<5%
U.S. equity securities	56	57	46–54%
Institutional mutual funds	32	31	13–17%
Fixed income securities	10	11	31–39%

The expected long-term rate of return assumption of 6.85%, for both 2014 and 2013, 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.

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(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 2012, 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.

	<u>2014</u>	<u>2013</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 28,255,339	39,919,383
Service cost	516,831	811,761
Interest cost	1,322,741	1,583,127
Plan amendments	(3,032,473)	—
Medicare Part D benefit subsidy	90,129	3,835
Actuarial (Gain) Loss	4,460,927	(13,186,389)
Benefits paid	<u>(1,125,947)</u>	<u>(876,378)</u>
Benefit obligation, end of year	<u>\$ 30,487,547</u>	<u>28,255,339</u>
Net periodic benefit cost:		
Service cost	\$ 516,831	811,761
Interest cost	1,322,741	1,583,127
Amortization of prior service credit	(1,722,563)	(1,722,562)
Amortization of net actuarial loss	<u>438,237</u>	<u>1,713,307</u>
	<u>\$ 555,246</u>	<u>2,385,633</u>

(a) Funded Status and Accrued Liability

At December 31, 2014 and 2013, the following information sets forth the status of the health care and life insurance benefits:

	<u>2014</u>	<u>2013</u>
Accumulated benefit obligation	\$ 30,487,547	28,255,339
Fair value of plan assets	<u>—</u>	<u>—</u>
Funded status – underfunded	<u>\$ 30,487,547</u>	<u>28,255,339</u>

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

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

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

	2014	2013
Changes other than net periodic benefit cost:		
Net actuarial loss (gain)	\$ 4,460,927	(13,186,389)
Prior service credit	(3,032,473)	—
Amortization of prior service cost	1,722,563	1,722,562
Amortization of net loss	(438,237)	(1,713,307)
Total changes other than net periodic benefit cost	\$ 2,712,780	(13,177,134)
	2014	2013
Items not yet recognized as a component of net periodic pension/benefit cost:		
Net actuarial loss	\$ 11,589,116	7,566,426
Prior service credit	(8,369,140)	(7,059,230)
	\$ 3,219,976	507,196

Estimated amounts to be amortized into net periodic benefit cost in 2015 are \$801,912 from net actuarial loss and \$1,707,110 from prior service credit.

(b) Actuarial Assumptions

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 – pre-65 claims	7.76	8.13
Health care cost trend rate – post-65 claims	7.00	7.25
Ultimate trend rate	5.00	5.00
Year ultimate trend rate is reached	2023/2023	2023/2023

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

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

The following assumptions were used in calculating the actuarial valuations at December 31, 2013:

	<u>Benefit obligation</u>	<u>Net periodic benefit cost</u>
Discount rate	4.80%	3.94%
Health care cost trend rate – pre-65 claims	8.13	8.50
Health care cost trend rate – post-65 claims	7.25	7.50
Ultimate trend rate	5.00	5.00
Year ultimate trend rate is reached	2023/2023	2023/2023

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 trend rate would increase the 2014 postretirement benefit cost by approximately \$499,000 and increase the accumulated postretirement benefit obligation by approximately \$6,872,000. A one-percentage-point decrease in the assumed health care cost trend rate would decrease the 2014 postretirement benefit cost by approximately \$332,000, and decrease the accumulated postretirement benefit obligation by approximately \$4,652,000.

(c) 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, 2014 and 2013, the following benefits were paid from plan assets:

	<u>2014</u>	<u>2013</u>
Benefits paid	\$ 1,125,947	876,378
Employer contribution	1,035,818	872,543
Medicare Part D benefit subsidy	90,129	3,835

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

	<u>Net benefit payments</u>	<u>Gross benefit payments</u>	<u>Medicare subsidy receipts</u>
2015	\$ 1,093,000	1,203,000	110,000
2016	1,133,000	1,255,000	122,000
2017	1,187,000	1,320,000	133,000
2018	1,247,000	1,392,000	145,000
2019	1,314,000	1,471,000	157,000
2020-2024	7,387,000	8,351,000	964,000
Total	<u>\$ 13,361,000</u>	<u>14,992,000</u>	<u>1,631,000</u>

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

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

USCCB plans to make a contribution of \$1,093,215 to the postretirement benefit plan in 2014.

(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.

(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, 2014, under scheduled operating leases that have initial or remaining terms in excess of one year, are as follows:

2015	\$	299,394
2016		158,172
2017		111,503
2018		<u>37,296</u>
Total	\$	<u><u>606,365</u></u>

For the years ended December 31, 2014 and 2013, rent expense under operating leases was \$407,656 and \$338,863, 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, 2014 and 2013, the total aggregate payment of multi-year employment contracts consists of the following:

	2014	2013
Contracts extend through	2017	2016
Approximate aggregate payments	\$ 2,512,000	1,140,000

(14) Subsequent Events

USCCB evaluated its December 31, 2014 consolidated financial statements for subsequent events through June 23, 2015, 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
SUPPLEMENTARY INFORMATION
CONSOLIDATED SCHEDULE OF REVENUE, EXPENSES
AND OTHER CHANGES IN NET ASSETS
FOR YEAR ENDED DECEMBER 31, 2014

	CURRENT OPERATING FUND								
	Total	Eliminations	General Funds	Villa Stritch	Total Current Operating Fund	Pastoral Activities	Policy Activities	Management and General	National Collections
Revenue:									
Contributions:									
Diocesan assessment	10,639,982	-	10,639,982	-	-	-	-	-	-
National collections	112,795,401	-	-	-	-	-	-	-	112,795,401
Grants, bequests, and other	3,162,953	-	53,058	-	3,065,879	939,208	2,125,900	771	44,016
Government contracts and grants revenue	79,240,601	-	-	-	79,240,601	-	79,240,601	-	-
Accrued subrecipient reimbursements from government agencies	349,911	-	-	-	349,911	-	349,911	-	-
Income on investments	22,274,878	-	6,012,112	17,897	-	-	-	-	16,244,869
Sale of publications	6,420,962	-	-	-	6,420,962	47,751	6,371,756	1,455	-
Royalty income	2,981,955	-	-	-	2,981,955	-	361,681	2,620,274	-
Collection fees on refugee loans	3,401,622	-	-	-	3,401,622	-	3,401,622	-	-
Contributed services	511,631	-	-	-	511,631	151,265	-	360,366	-
Other	1,665,903	-	181,429	-	1,484,474	565,587	537,621	381,266	-
Interfund credits	-	(10,304,867)	-	-	10,304,867	-	-	10,304,867	-
Total revenue	243,445,799	(10,304,867)	16,886,581	17,897	107,761,902	1,703,811	92,389,092	13,668,999	129,084,286
Expenses:									
Grants and donations	125,093,429	(489,857)	20,700	-	610,489	27,349	542,940	40,200	124,952,097
Sub-recipient government contract expenses	69,144,094	-	-	-	69,144,094	-	69,144,094	-	-
Promotion and fundraising expenses	2,073,086	-	-	-	-	-	-	-	2,073,086
Salaries, taxes and benefits	32,007,326	-	(4,000,243)	-	34,616,353	5,017,187	21,105,846	8,493,320	1,391,216
Travel and meetings	4,203,516	-	32,182	-	3,647,927	803,963	2,047,921	796,043	523,407
Professional and contract services	8,162,750	-	-	-	7,724,352	854,055	3,463,064	3,407,233	438,398
Printing and mailing	2,264,480	-	437	-	2,219,459	130,492	930,998	1,157,969	44,584
Other program and operating expenses	6,702,768	(9,132,129)	88,054	-	15,699,373	1,145,120	5,982,538	8,571,715	47,470
Accrued subrecipients' costs	349,911	-	-	-	349,911	-	349,911	-	-
Interfund charges	-	(682,880)	(5,960,862)	-	5,345,395	110,683	5,234,712	-	1,298,346
Total expenses	250,001,360	(10,304,866)	(9,819,732)	-	139,357,353	8,088,849	108,802,024	22,466,480	130,768,604
Fund transfers	-	17,623,832	(9,987,432)	(12,568)	1,859,440	808,817	8,674,455	(7,623,832)	(9,483,272)
Changes in net assets from operations	(6,555,561)	17,623,831	16,718,881	5,329	(29,736,011)	(5,576,221)	(7,738,477)	(16,421,313)	(11,167,590)
Non-operating activities:									
Unrealized (loss) gain on investments	(1,236,126)	-	(333,637)	(993)	-	-	-	-	(901,496)
Pension related expenses other than net periodic pension cost	(17,828,763)	-	(17,828,763)	-	-	-	-	-	-
Total non-operating activities	(19,064,889)	-	(18,162,400)	(993)	-	-	-	-	(901,496)
Changes in net assets before General Funds subsidy	(25,620,450)	17,623,831	(1,443,519)	4,336	(29,736,011)	(5,576,221)	(7,738,477)	(16,421,313)	(12,069,086)
General Funds subsidy to cover deficit	-	(17,623,831)	-	-	17,623,832	6,056,525	11,567,307	-	-
Changes in net assets	(25,620,450)	-	(1,443,519)	4,336	(12,112,179)	480,304	3,828,830	(16,421,313)	(12,069,086)
Net assets at the beginning of the year	281,889,651	-	86,201,116	234,455	(40,730,900)	-	(6,247,707)	(34,483,193)	236,184,980
Net assets at the end of the year	256,269,201	-	84,757,597	238,791	(52,843,079)	480,304	(2,418,877)	(50,904,506)	224,115,894

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
GENERAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2014

	Total General Funds	Operating Fund	Building Fund	General Reserve Fund	Catechism Fund	Quasi- Endowment Fund
Revenue:						
Diocesan assessment	10,639,982	10,639,982	-	-	-	-
Grants, Bequests, and other	53,058	53,058	-	-	-	-
Income on investments	6,012,112	2,160,939	1,449,663	-	74,927	2,326,583
Other	181,429	181,429	-	-	-	-
Total revenue	<u>16,886,581</u>	<u>13,035,408</u>	<u>1,449,663</u>	<u>-</u>	<u>74,927</u>	<u>2,326,583</u>
Expenses:						
Grants and donations	20,700	20,700	-	-	-	-
Salaries, taxes and benefits	(4,000,243)	(4,000,243)	-	-	-	-
Travel and meetings	32,182	32,182	-	-	-	-
Professional and contract services	-	-	-	-	-	-
Printing and mailing	437	437	-	-	-	-
Other program and operating expenses	88,054	88,054	-	-	-	-
Interfund charges	(5,960,862)	(5,960,862)	-	-	-	-
Total expenses	<u>(9,819,732)</u>	<u>(9,819,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund transfers	<u>(9,987,432)</u>	<u>(8,250,403)</u>	<u>12,568</u>	<u>-</u>	<u>-</u>	<u>(1,749,597)</u>
Changes in net assets from operations	<u>16,718,881</u>	<u>14,604,737</u>	<u>1,462,231</u>	<u>-</u>	<u>74,927</u>	<u>576,986</u>
Non-operating activities:						
Unrealized (loss) gain on investments	(333,637)	(119,919)	(80,448)	-	(4,158.00)	(129,112.00)
Pension related expenses other than net periodic pension cost	(17,828,763)	(17,828,763)	-	-	-	-
Total non-operating activities	<u>(18,162,400)</u>	<u>(17,948,682)</u>	<u>(80,448)</u>	<u>-</u>	<u>(4,158)</u>	<u>(129,112)</u>
Changes in net assets	<u>(1,443,519)</u>	<u>(3,343,945)</u>	<u>1,381,783</u>	<u>-</u>	<u>70,769</u>	<u>447,874</u>
Net assets at the beginning of the year	<u>86,201,116</u>	<u>16,284,451</u>	<u>34,321,742</u>	<u>5,000,000</u>	<u>981,542</u>	<u>29,613,381</u>
Net assets at the end 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>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
 PASTORAL ACTIVITIES
 FOR YEAR ENDED DECEMBER 31, 2014

	Total		Canonical			Doctrine / Pastoral Practices	Ecumenical / Interreligious Affairs	Evangelization/C atechesis	Clergy	
	Pastoral Activities	Cultural Diversity	Child & Youth Protection	Affairs & Church Governance	Divine Worship				Laity Marriage & Family Life	Consecrated Life & Vocation
Revenue:										
Grants, bequests and other	939,208	199,514	-	-	-	-	-	-	739,694	-
Income on investments	-	-	-	-	-	-	-	-	-	-
Sale of publications	47,751	770	-	-	25,381	-	56	12	21,532	-
Contributed services	151,265	7,780	-	-	74,930	-	-	-	6,337	62,218
Other	565,587	7,176	561,541	-	1,870	-	-	-	-	(5,000)
Total revenue	1,703,811	215,240	561,541	-	102,181	-	56	12	767,563	57,218
Expenses:										
Grants and donations	27,349	26,699	-	-	-	-	-	250	400	-
Salaries, taxes and benefits	5,017,187	1,159,465	481,647	-	435,006	484,127	654,050	664,092	912,961	225,839
Travel and meetings	803,963	226,133	154,706	18,638	47,756	39,222	88,565	73,786	102,582	52,575
Professional and contract services	854,055	102,439	583,748	2,708	10,306	509	16,900	36,207	76,338	24,900
Printing and mailing	130,492	27,950	18,976	3,854	42,871	3,696	3,902	7,427	17,502	4,314
Other program and operating expenses	1,145,120	236,883	73,829	58	213,285	54,904	104,195	106,046	220,556	135,364
Interfund charges	110,683	110,683	-	-	-	-	-	-	-	-
Total expenses	8,088,849	1,890,252	1,312,906	25,258	749,224	582,458	867,612	887,808	1,330,339	442,992
Fund transfers	808,817	803,817	-	-	-	-	-	-	-	5,000
Changes in net assets before General Funds subsidy	(5,576,221)	(871,195)	(751,365)	(25,258)	(647,043)	(582,458)	(867,556)	(887,796)	(562,776)	(380,774)
General Funds subsidy to cover deficit	6,056,525	1,111,027	751,365	25,258	647,043	582,458	903,863	887,796	739,991	407,724
Changes in net assets	480,304	239,832	-	-	-	-	36,307	-	177,215	26,950
Net assets at the beginning of the year	-	-	-	-	-	-	-	-	-	-
Net assets at the end of the year	480,304	239,832	-	-	-	-	36,307	-	177,215	26,950

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
POLICY ACTIVITIES
FOR YEAR ENDED DECEMBER 31, 2014

	Total Policy Activiites	Migration and Refugee Services	Communications Department	Office of Sec- Policy	Catholic Education	Pro-Life Activities	Development and World Peace
Revenue:							
Grants, bequests, and other	2,125,900	582,656	30,000	-	50,000	958,244	505,000
Government contract revenue	79,240,601	79,240,601	-	-	-	-	-
Royalty income	361,681	598	361,083	-	-	-	-
Income on investments	-	-	-	-	-	-	-
Sale of publications	6,371,756	5,822	6,128,824	-	-	236,331	779
Collection fees on refugee loans	3,401,622	3,401,622	-	-	-	-	-
Contributed services	-	-	-	-	-	-	-
Accrued subrecipients' reimbursements	349,911	349,911	-	-	-	-	-
Other	537,621	147,526	122	200,199	8,105	17,805	163,864
Total revenue	92,389,092	83,728,736	6,520,029	200,199	58,105	1,212,380	669,643
Expenses:							
Sub-recipient government contract expenses	69,144,094	69,144,094	-	-	-	-	-
Grants and donations	542,940	231,920	14,489	83,102	1,160	585	211,684
Salaries, taxes, and benefits	21,105,846	9,806,510	6,016,519	732,597	672,126	978,122	2,899,972
Travel and meetings	2,047,921	956,758	378,912	28,987	56,011	212,289	414,964
Professional and contract services	3,463,064	921,391	1,714,143	136,774	62,304	456,056	172,396
Printing and mailing	930,998	310,079	444,345	1,022	3,487	134,364	37,701
Other program and operating expenses	5,982,538	1,578,141	3,426,074	109,349	125,782	252,738	490,454
Accrued subrecipients' costs	349,911	349,911	-	-	-	-	-
Interfund charges	5,234,712	2,603,824	1,555,937	11,136	-	280,346	783,469
Total expenses	108,802,024	85,902,628	13,550,419	1,102,967	920,870	2,314,500	5,010,640
Fund transfers	8,674,455	1,780,714	2,997,500	-	-	-	3,896,241
Changes in net assets before General Funds subsidy	(7,738,477)	(393,178)	(4,032,890)	(902,768)	(862,765)	(1,102,120)	(444,756)
General Funds subsidy to cover deficit	11,567,307	7,000,000	-	1,386,731	905,306	1,283,919	991,351
Changes in net assets	3,828,830	6,606,822	(4,032,890)	483,963	42,541	181,799	546,595
Net assets at the beginning of the year	(6,247,707)	(3,531,393)	(2,716,314)	-	-	-	-
Net assets at the end of the year	(2,418,877)	3,075,429	(6,749,204)	483,963	42,541	181,799	546,595

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
 MIGRATION AND REFUGEE SERVICES
 FOR YEAR ENDED DECEMBER 31, 2014

	Total Migration and Refugee Services	Government Grant/Contract Activity	Other	Unrestricted Funds
Revenue:				
Grants, bequests, and other	582,656	10	574,755	7,891
Government contracts and grants revenue	79,240,601	78,983,652	256,949	-
Income on investments	-	-	-	-
Sale of publications	5,822	-	-	5,822
Royalty income	598	-	-	598
Collection fees on refugee loans	3,401,622	-	-	3,401,622
Contributed services	-	-	-	-
Accrued subrecipients' reimbursements	349,911	348,741	1,170	-
Other	147,526	-	142,382	5,144
Total revenue	83,728,736	79,332,403	975,256	3,421,077
Expenses:				
Sub-recipient government contract expenses	69,144,094	68,285,447	(54,189)	912,836
Grants and donations	231,920	967	18,574	212,379
Salaries, taxes, and benefits	9,806,510	7,729,758	470,201	1,606,551
Travel and meetings	956,758	384,382	283,282	289,094
Professional and contract services	921,391	412,542	335,435	173,414
Printing and mailing	310,079	37,061	67,784	205,234
Other program and operating expenses	1,578,141	306,068	114,922	1,157,151
Accrued subrecipients' costs	349,911	348,741	1,170	-
Interfund charges	2,603,824	1,843,255	131,356	629,213
Total expenses	85,902,628	79,348,221	1,368,535	5,185,872
Fund transfers	1,780,714	4,878	7,500	1,768,336
Changes in net assets before General Funds subsidy	(393,178)	(10,940)	(385,779)	3,541
General Funds subsidy to cover deficit	7,000,000	-	-	7,000,000
Changes in net assets	6,606,822	(10,940)	(385,779)	7,003,541
Net assets at the beginning of the year	(3,531,393)	(6,604,675)	86,517	2,986,765
Net assets at the end of the year	3,075,429	(6,615,615)	(299,262)	9,990,306

See accompanying independent auditors' report.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
COMMUNICATIONS DEPARTMENT
FOR YEAR ENDED DECEMBER 31, 2014**

	Total			
	Communications	General	Catholic News	
	Department	Communication	Service	Publishing
Revenue:				
Grants, bequests, and other	30,000	30,000	-	-
Income on investments	-	-	-	-
Sale of publications	6,128,824	14	3,025,168	3,103,642
Royalty income	361,083	-	-	361,083
Contributed services	-	-	-	-
Other	122	8,474	4,450	(12,802)
Total revenue	<u>6,520,029</u>	<u>38,488</u>	<u>3,029,618</u>	<u>3,451,923</u>
Expenses:				
Grants and donations	14,489	500	13,989	-
Salaries, taxes, and benefits	6,016,519	1,975,349	2,941,285	1,099,885
Travel and meetings	378,912	174,842	152,820	51,250
Professional and contract services	1,714,143	601,345	651,271	461,527
Printing and mailing	444,345	8,175	187,749	248,421
Other program and operating expenses	3,426,074	733,767	565,223	2,127,084
Interfund charges	1,555,937	542,072	743,552	270,313
Total expenses	<u>13,550,419</u>	<u>4,036,050</u>	<u>5,255,889</u>	<u>4,258,480</u>
Fund transfers	<u>2,997,500</u>	<u>2,338,000</u>	<u>542,000</u>	<u>117,500</u>
Changes in net assets before General Funds subsidy	(4,032,890)	(1,659,562)	(1,684,271)	(689,057)
General Funds subsidy to cover deficit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	(4,032,890)	(1,659,562)	(1,684,271)	(689,057)
Net assets at the beginning of the year	<u>(2,716,314)</u>	<u>(1,559,992)</u>	<u>(6,572,388)</u>	<u>5,416,066</u>
Net assets at the end of the year	<u>(6,749,204)</u>	<u>(3,219,554)</u>	<u>(8,256,659)</u>	<u>4,727,009</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENSES AND OTHER CHANGES IN NET ASSETS
NATIONAL COLLECTIONS
FOR YEAR ENDED DECEMBER 31, 2014

	Total National Collections	Haiti								Special Collections - Disaster Relief						
		CRS	CCHD	CLA	Earthquake	CCC	CHM	AEE	SFCA	NRRO	Hurricane	Tornado	Prior Years Calamities	Storms	Philippine Typhoon	Middle East
Revenue:																
National collection contributions	112,795,401	16,764,985	10,014,515	7,040,835	114,365	3,637,919	9,322,096	7,527,574	2,306,382	25,799,176	190,386	-	-	1,265,923	23,664,818	5,146,427
Grants, bequests, and other	44,016	14,114	29,852	-	-	-	-	-	-	50	-	-	-	-	-	-
Income on investments	16,244,869	1,964,008	3,854,454	912,927	769,084	1,002,561	1,602,333	1,008,524	277,982	3,440,190	108,644	151,605	268,250	367,720	320,305	196,282
Sale of publications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	129,084,286	18,743,107	13,898,821	7,953,762	883,449	4,640,480	10,924,429	8,536,098	2,584,364	29,239,416	299,030	151,605	268,250	1,633,643	23,985,123	5,342,709
Expenses:																
Grants and donations	124,952,097	15,586,499	15,665,343	6,675,668	9,635,633	453,684	9,174,372	7,853,306	2,525,836	27,898,392	758,587	50,000	-	353,227	28,321,550	-
Promotion and fundraising expenses	2,073,086	209,809	345,068	186,091	16,712	167,412	257,784	169,724	87,648	632,836	-	2	-	-	-	-
Salaries, taxes and benefits	1,391,216	-	-	242,505	207,613	-	104,043	271,026	-	566,029	-	-	-	-	-	-
Travel and meetings	523,407	-	-	63,230	21,694	41,118	18,357	160,968	18,807	199,233	-	-	-	-	-	-
Professional and contract services	438,398	-	-	4,150	-	254,552	-	3,889	127,105	48,702	-	-	-	-	-	-
Printing and mailing	44,584	-	-	4,909	-	-	1,139	3,369	2,068	33,099	-	-	-	-	-	-
Other program and operating expenses	47,470	-	-	7,971	279	824	1,342	1,425	2,374	33,255	-	-	-	-	-	-
Interfund charges	1,298,346	49,691	53,379	268,369	119,020	43,430	205,455	287,387	55,619	215,996	-	-	-	-	-	-
Total expenses	130,768,604	15,845,999	16,063,790	7,452,893	10,000,951	961,020	9,762,492	8,751,094	2,819,457	29,627,542	758,587	50,002	-	353,227	28,321,550	-
Fund transfers	(9,483,272)	(3,379,994)	(2,644,686)	(458,592)	-	(3,000,000)	-	-	-	-	-	-	-	-	-	-
Changes in net assets from operations	(11,167,590)	(482,886)	(4,809,655)	42,277	(9,117,502)	679,460	1,161,937	(214,996)	(235,093)	(388,126)	(459,557)	101,603	268,250	1,280,416	(4,336,427)	5,342,709
Non-operating activities:																
Unrealized (loss) gain on investments	(901,496)	(108,991)	(213,900)	(50,662)	(42,680)	(55,636)	(88,920)	(55,967)	(15,426)	(190,910)	(6,029)	(8,415)	(14,886)	(20,406)	(17,775)	(10,893)
Changes in net assets	(12,069,086)	(591,877)	(5,023,555)	(8,385)	(9,160,182)	623,824	1,073,017	(270,963)	(250,519)	(579,036)	(465,586)	93,188	253,364	1,260,010	(4,354,202)	5,331,816
Net assets at the beginning of the year	236,184,980	14,070,602	58,113,260	11,832,202	23,024,356	13,571,566	13,966,211	12,245,625	3,149,054	69,949,535	1,328,032	1,896,017	3,604,065	4,184,142	5,250,313	-
Net assets at the end 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

See accompanying independent auditors' report.