



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

Consolidated Financial Statements  
With Supplemental Schedules

December 31, 2013

(With Independent Auditors' Report Thereon)

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

**Table of Contents**

	<b>Page</b>
Independent Auditors' Report	1
Consolidated Statement of Financial Position as of December 31, 2013	3
Consolidated Statement of Activities for the year ended December 31, 2013	4
Consolidated Statement of Cash Flows for the year ended December 31, 2013	5
Notes to Consolidated Financial Statements	6
Supplemental Schedules	27



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 statement of financial position as of December 31, 2013, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2013 supplemental information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the 2013 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 2013 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 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 2013 consolidated financial statements or to the 2013 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 2013 consolidated financial statements as a whole.

**KPMG LLP**

July 31, 2014

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

Consolidated Statement of Financial Position

December 31, 2013

**Assets**

Cash and cash equivalents	\$	5,566,061
Short-term investments (note 6)		235,496
Accounts receivable (note 2):		
Resettlement and other programs – government agencies, net		17,336,809
Other, net		2,801,550
Contributions receivable (note 2)		54,090,187
Inventories, net, prepaid expenses and other assets		1,407,719
Long-term investments (note 6)		295,247,354
Property and equipment, net (note 4)		15,847,428
		<u>392,532,604</u>
Total assets	\$	<u><u>392,532,604</u></u>

**Liabilities and Net Assets**

<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$	12,087,844
National collections grants payable		37,598,777
Accrued pension liability (note 9)		32,700,993
Accrued postretirement benefit liability (note 10)		28,255,339
		<u>110,642,953</u>
Total liabilities		<u>110,642,953</u>
<b>Net assets:</b>		
Unrestricted net assets:		
General funds:		
General operating fund		16,284,449
Building fund		34,321,742
General reserve fund		5,000,000
Catechism fund		981,542
Quasi-endowment fund (note 8)		29,613,382
Current operating fund		(40,730,899)
National collections (note 5)		114,407,028
National Religious Retirement Office (note 5)		33,308,667
		<u>193,185,911</u>
Total unrestricted net assets		<u>193,185,911</u>
Temporarily restricted net assets (note 5):		
National collections		51,828,417
National Religious Retirement Office		36,640,868
		<u>88,469,285</u>
Total temporarily restricted net assets		<u>88,469,285</u>
Permanently restricted net assets (note 8)		
		<u>234,455</u>
Total net assets		<u>281,889,651</u>
Commitments and contingencies (note 12)		
		<u>—</u>
Total liabilities and net assets	\$	<u><u>392,532,604</u></u>

See accompanying notes to consolidated financial statements.

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

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 7)	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>	—	—
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 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 on investments (note 7)	22,587,948	—	—	22,587,948
Pension related changes other than net periodic pension cost (notes 9 and 10)	28,073,207	—	—	28,073,207
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 (note 2p)	<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  
AND AFFILIATE**

Consolidated Statement of Cash Flows

Year ended December 31, 2013

Cash flows from operating activities:	
Change in net assets	\$ 66,318,974
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:	
Allowance for doubtful accounts and obsolescence	(67,696)
Depreciation expense	1,314,363
Net realized and unrealized gains on long-term investments	(41,326,211)
(Increase) decrease in operating assets:	
Accounts receivable:	
Resettlement and other programs – government agencies	(4,368,723)
Other	(271,055)
Contributions receivable	9,689,806
Inventories, prepaid expenses and other assets	(274,824)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(4,811,688)
National collections grants payable	(1,238,257)
Accrued pension liability	(13,757,982)
Accrued postretirement benefit liability	(11,664,044)
Net cash used in operating activities	<u>(457,337)</u>
Cash flows from investing activities:	
Purchases of property and equipment	(1,716,581)
Sales of investments	139,549,347
Purchases of investments	(138,403,494)
Net cash used in investing activities	<u>(570,728)</u>
Decrease in cash and cash equivalents	(1,028,065)
Cash and equivalents, beginning of year	<u>6,594,126</u>
Cash and equivalents, end of year	<u>\$ 5,566,061</u>

See accompanying notes to consolidated financial statements.

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

Notes to Consolidated Financial Statements

December 31, 2013

**(1) Organization**

The United States Conference of Catholic Bishops (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 which 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 Saint 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.



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

Notes to Consolidated Financial Statements

December 31, 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 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  
AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 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, 2013.

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

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

Notes to Consolidated Financial Statements

December 31, 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, 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 \$135,312.

**(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.

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

Notes to Consolidated Financial Statements

December 31, 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 consist 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, 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 \$67,697.

Contributions receivable consist 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, 2013 relating to contributions receivable. Contributions receivable is measured at net realizable value (level 3 input).

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

U.S. Refugee Admissions Program	\$ 9,128,169
Refugee and Entrant Assistance-Voluntary Agency Program	4,750,977
Refugee and Entrant Assistance-Discretionary Grants	77,877
Unaccompanied Alien Children Program	2,392,286
Cuban/Haitian Entrant Resettlement Program	987,500
Total accounts receivable-resettlements and other programs	\$ <u>17,336,809</u>

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

Notes to Consolidated Financial Statements

December 31, 2013

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

Catholic Campaign for Human Development	\$ 8,928,944
Catholic Communications Campaign	700,005
Catholic Home Missions Appeal	1,477,998
Catholic Relief Service Collection	2,012,341
Collection for the Church in Latin America	888,110
Collection to Rebuild of Churches hit by Haiti earthquake	15,326,434
Aid to the Church in Central and Eastern Europe	1,147,114
National Religious Retirement Office	23,604,266
Other	4,975
Total contributions receivable	\$ 54,090,187

**(j) Grants and Donations Awarded**

Unconditional grants are recorded when approved. Conditional grants are recorded when conditions are substantially met and the expenditures are approved.

**(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, 2013, 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 year ended December 31, 2013, total contributed services revenue was \$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

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

Notes to Consolidated Financial Statements

December 31, 2013

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.

**(p) *Correction of Net Asset Classification Errors***

During 2013, USCCB identified errors in the net asset classification associated with certain national collections and NRRO net assets. The donor restrictions for these contributions were met in prior years; however, the temporarily restricted net assets were not properly released from restriction. To correct these errors, USCCB decreased temporarily restricted net assets as of December 31, 2012 by \$22,118,430 and increased unrestricted net assets and permanently restricted net assets as of December 31, 2012 by \$22,107,858 and \$10,572, respectively.

**(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.

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

Notes to Consolidated Financial Statements

December 31, 2013

USCCB was reimbursed \$9,776,186 for administrative costs and program services provided for resettlement activities for the year ended December 31, 2013. The Anti-Trafficking contract was not renewed in 2012. USCCB incurred sub-recipient expenses under these government contracts of \$64,191,895 for the year ended December 31, 2013. Government contracts and grants revenue consisted of the following:

U.S. Refugee Admissions Program	\$ 37,146,720
Refugee and Entrant Assistance-Voluntary Agency Programs	22,213,312
Refugee and Entrant Assistance-Discretionary Grants	298,296
Unaccompanied Alien Children Program	10,069,854
Cuban/Haitian Entrant Resettlement Program	3,972,521
Government Contract Revenue (Trafficking)	<u>15,000</u>
Total government contract and grants revenue	\$ <u><u>73,715,703</u></u>

**(4) Property and Equipment, Net**

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

Land	\$ 1,448,535
Buildings and improvements	33,056,933
Furniture and equipment	3,394,724
Fine artwork and paintings	<u>500,025</u>
Total property and equipment	38,400,217
Less accumulated depreciation and amortization	<u>(22,552,789)</u>
Total property and equipment, net	\$ <u><u>15,847,428</u></u>

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

Notes to Consolidated Financial Statements

December 31, 2013

**(5) National Collections and NRRO Net Assets**

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

	<b>Unrestricted</b>	<b>Temporarily restricted</b>
NRRO	\$ 33,308,667	36,640,868
National Collections:		
CRSC	12,058,261	2,012,341
CCHD	49,184,316	8,928,944
CLA – Regular collection	10,944,092	888,110
CLA – Haiti Recovery Fund	1,453,180	21,571,176
CCC	12,871,561	700,005
CHM	12,089,150	1,877,061
Church in Africa	2,368,944	780,110
AEE	10,116,150	2,129,475
Special Collections-Disaster Relief	3,321,374	12,941,195
National collections	114,407,028	51,828,417
Total	\$ 147,715,695	88,469,285

**(6) 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 that are fair valued 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, 2013

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. Investments that are included in this category generally include privately held investments and partnership interests.

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 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.

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 classified are level 2 as they are redeemable at NAV at or near year-end.

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

Notes to Consolidated Financial Statements

December 31, 2013

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>Level 3</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	<u>(256,228)</u>	<u>(4,319,254)</u>	<u>—</u>	<u>(4,575,482)</u>
Total long-term investments	<u>\$ 172,791,490</u>	<u>122,455,864</u>	<u>—</u>	<u>295,247,354</u>

Investments include cash equivalents held by long-term investment managers for reinvestment. There were no transfers between levels 1 and 2 during 2013. There were no level 3 investments in 2013.

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

Notes to Consolidated Financial Statements

December 31, 2013

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

<u>Investment</u>	<u>Investment strategy/risk</u>	<u>NAV in funds</u>	<u>Redemption restrictions/ liquidity provisions</u>
Institutional mutual funds:			
International portfolio	Approximate the MSCI EAFE Index	\$ 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	19,091,427	Redemptions permitted daily
Mortgage fund	Approximate performance of Barclays Capital U.S. MBS Index	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	22,850,344	Redemptions permitted daily /7 days prior notice
Domestic equity funds	Approximate the performance of Barclays Capital U.S. Credit Bond Index	13,630,572	Redemptions permitted daily

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

Notes to Consolidated Financial Statements

December 31, 2013

<u>Investment</u>	<u>Investment strategy/risk</u>	<u>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	\$ 1,053,466	Redemptions permitted daily

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

**(7) Investment Income and Unrealized Appreciation/Depreciation**

For the year ended December 31, 2013, investment income consisted of the following:

Long-term investments:		
Interest		\$ 1,339,269
Dividends		2,733,896
Realized gains		<u>18,738,263</u>
Investment income on long-term investments		22,811,428
Interest on short-term investments		<u>556</u>
		22,811,984
Less:		
Investment management fees		<u>(777,534)</u>
Total investment income		<u>22,034,450</u>
Unrealized appreciation		<u>22,587,948</u>
Total return on investments		<u><u>\$ 44,622,398</u></u>

**(8) 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.

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

Notes to Consolidated Financial Statements

December 31, 2013

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, 2013:

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
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 year ended December 31, 2013:

Unrestricted, board-designated Quasi-Endowment funds, beginning of year	\$ 27,035,013
Investment income	4,307,810
Transfer to General Operating Fund (spending rate 5.5%)	<u>(1,729,441)</u>
Unrestricted, board-designated Quasi-Endowment funds, end of year	<u>\$ 29,613,382</u>

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

**(9) 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.

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

Notes to Consolidated Financial Statements

December 31, 2013

The actuarial valuation of this retirement plan for 2013 was as follows:

Accumulated benefit obligation	\$	90,283,331
Change in benefit obligation:		
Benefit obligation, beginning of year	\$	96,020,620
Service cost		2,012,205
Interest cost		3,788,412
Actuarial gain		(7,283,270)
Benefits paid		<u>(4,254,636)</u>
Benefit obligation, end of year		<u>90,283,331</u>
Change in plan assets:		
Fair value of plan assets, beginning of year		49,561,655
Actual return on plan assets		8,511,192
Employer contributions		3,764,127
Benefits paid		<u>(4,254,636)</u>
Fair value of plan assets, end of year		<u>57,582,338</u>
Funded status	\$	<u><u>32,700,993</u></u>
Items not yet recognized as a component of net periodic pension benefit cost:		
Net actuarial loss	\$	14,797,370
Net periodic benefit cost:		
Service cost	\$	2,012,205
Interest cost		3,788,412
Expected return on plan assets		(3,371,036)
Amortization of net actuarial loss		<u>2,472,647</u>
Net periodic benefit cost	\$	<u><u>4,902,228</u></u>
Changes other than net periodic benefit cost:		
Net actuarial gain	\$	(12,423,426)
Amortization of net loss		<u>(2,472,647)</u>
Changes other than net periodic benefit costs	\$	<u><u>(14,896,073)</u></u>

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

Notes to Consolidated Financial Statements

December 31, 2013

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

Discount rate	4.80%
Salary increase	4.25

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

Discount rate	3.94%
Salary increase	4.25
Expected return on plan assets	6.85

Estimated amounts to be amortized into net periodic benefit cost in 2014 are \$210,703 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:

2014	\$ 4,548,000
2015	4,711,000
2016	4,848,000
2017	5,012,000
2018	5,244,000
2019–2023	29,397,000

USCCB plans to make a contribution of \$4,005,568 to the pension plan in 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.

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

Notes to Consolidated Financial Statements

December 31, 2013

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>Level 3</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>—</u>	<u>57,582,338</u>

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

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

The expected long-term rate of return assumption of 6.85% 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, 2013

**(10) 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.

Change in benefit obligation:	
Benefit obligation, beginning of year	\$ 39,919,383
Service cost	811,761
Interest cost	1,583,127
Medicare Part D benefit subsidy	3,835
Actuarial gain	(13,186,389)
Benefits paid	<u>(876,378)</u>
Benefit obligation, end of year	<u>\$ 28,255,339</u>
Net periodic benefit cost:	
Service cost	\$ 811,761
Interest cost	1,583,127
Amortization of prior service credit	(1,722,562)
Amortization of net actuarial loss	<u>1,713,307</u>
	<u>\$ 2,385,633</u>

**(a) Funded Status and Accrued Liability**

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

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

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

Notes to Consolidated Financial Statements

December 31, 2013

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

Changes other than net periodic benefit cost:		
Net actuarial gain	\$	(13,186,389)
Amortization of prior service cost		1,722,562
Amortization of net loss		<u>(1,713,307)</u>
Total changes other than net periodic benefit cost	\$	<u><u>(13,177,134)</u></u>
Items not yet recognized as a component of net periodic pension/benefit cost:		
Net actuarial loss	\$	7,566,426
Prior service credit		<u>(7,059,230)</u>
	\$	<u><u>507,196</u></u>

Estimated amounts to be amortized into net periodic benefit cost in 2014 are \$421,038 from net actuarial loss and \$1,722,562 from prior service credit.

**(b) Actuarial Assumptions**

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

	<b>Benefit obligation</b>	<b>Net periodic benefit cost</b>
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

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 2013 postretirement benefit cost by approximately \$379,000 and increase the accumulated postretirement benefit obligation by approximately \$4,801,000. A one-percentage-point decrease in the assumed health care cost trend rate would decrease the 2013 postretirement benefit cost by approximately \$284,000, and decrease the accumulated postretirement benefit obligation by approximately \$3,682,000.

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

Notes to Consolidated Financial Statements

December 31, 2013

**(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 year ended December 31, 2013, the following benefits were paid from plan assets:

Benefits paid	\$	876,378
Employer contribution		872,543
Medicare Part D benefit subsidy		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>
2014	\$ 1,165,000	1,296,000	131,000
2015	1,233,000	1,373,000	140,000
2016	1,279,000	1,433,000	154,000
2017	1,331,000	1,498,000	167,000
2018	1,405,000	1,585,000	180,000
2019 – 2023	<u>8,157,000</u>	<u>9,243,000</u>	<u>1,086,000</u>
Total	<u>\$ 14,570,000</u>	<u>16,428,000</u>	<u>1,858,000</u>

USCCB plans to make a contribution of \$1,165,304 to the postretirement benefit plan in 2014.

**(11) Legal**

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.

**(12) 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, 2013, under scheduled operating leases that have initial or remaining terms in excess of one year, are as follows:

2014	\$	278,398
2015		263,505
2016		137,898
2017		<u>72,435</u>
Total	\$	<u>752,236</u>

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

Notes to Consolidated Financial Statements

December 31, 2013

For the year ended December 31, 2013, rent expense under operating leases was \$338,863.

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, 2013, the total aggregate payment of multi-year employment contracts consists of the following:

Contracts extend through	2016
Approximate aggregate payments	\$ 1,140,000

**(13) Subsequent Events**

USCCB evaluated its December 31, 2013 consolidated financial statements for subsequent events through July 31, 2014, 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 UNRESTRICTED NET ASSETS  
FOR YEAR ENDED DECEMBER 31, 2013

	CURRENT OPERATING FUND								
	Total	Eliminations	General Funds	Villa Stritch	Total Current Operating Fund	Pastoral Activities	Policy Activities	Management and General	National Collections
<b>Revenue:</b>									
<b>Contributions:</b>									
Diocesan assessment	\$ 10,656,551	-	10,656,551	-	-	-	-	-	-
National collections	108,368,904	-	-	-	-	-	-	-	108,368,904
Grants, bequests, and other	3,601,895	-	-	-	2,320,087	907,796	1,373,923	38,368	1,281,808
Government contracts and grants revenue	73,715,703	-	-	-	73,715,703	-	73,715,703	-	-
Income on investments	22,034,450	-	5,333,250	16,277	1,522,411	-	-	1,522,411	15,162,512
Sale of publications	6,544,813	-	-	-	6,544,813	48,037	6,495,878	898	-
Royalty income	2,471,607	-	-	-	2,471,607	-	2,471,607	-	-
Collection fees on refugee loans	3,391,647	-	-	-	3,391,647	-	3,391,647	-	-
Contributed services	459,333	(317,885)	-	-	777,218	777,218	-	-	-
Other	1,832,374	-	-	-	1,832,374	81,800	407,982	1,342,592	-
Interfund credits	-	(5,227,238)	-	-	5,227,238	-	-	5,227,238	-
<b>Total revenue</b>	<b>233,077,277</b>	<b>(5,545,123)</b>	<b>15,989,801</b>	<b>16,277</b>	<b>97,803,098</b>	<b>1,814,851</b>	<b>87,856,740</b>	<b>8,131,507</b>	<b>124,813,224</b>
<b>Expenses:</b>									
Grants and donations	95,681,309	(54,568)	116,987	-	678,315	82,688	595,627	-	94,940,575
Sub-recipient government contract expenses	64,191,895	-	-	-	64,191,895	-	64,191,895	-	-
Promotion and fundraising expenses	2,108,072	-	-	-	130,818	-	-	130,818	1,977,254
Salaries, taxes and benefits	34,859,211	-	2,263,257	-	31,219,994	4,549,454	19,662,652	7,007,888	1,375,960
Travel and meetings	3,913,819	-	-	-	3,502,669	748,870	1,753,975	999,824	411,150
Professional and contract services	8,586,683	-	-	-	8,390,966	1,019,834	3,557,270	3,813,862	195,717
Printing and mailing	2,401,206	-	-	-	2,359,607	121,265	997,288	1,241,054	41,599
Other program and operating expenses	5,677,263	(5,490,555)	3,084,267	-	7,352,530	221,882	3,433,639	3,697,009	731,021
Interfund charges	-	-	-	-	(1,713,296)	978,932	6,704,555	(9,396,783)	1,713,296
<b>Total expenses</b>	<b>217,419,458</b>	<b>(5,545,123)</b>	<b>5,464,511</b>	<b>-</b>	<b>116,113,498</b>	<b>7,722,925</b>	<b>100,896,901</b>	<b>7,493,672</b>	<b>101,386,572</b>
<b>Fund transfers</b>	<b>-</b>	<b>-</b>	<b>10,605</b>	<b>(10,605)</b>	<b>9,700,306</b>	<b>5,908,074</b>	<b>11,022,486</b>	<b>(7,230,254)</b>	<b>(9,700,306)</b>
<b>Changes in net assets from operations</b>	<b>15,657,819</b>	<b>-</b>	<b>10,535,895</b>	<b>5,672</b>	<b>(8,610,094)</b>	<b>-</b>	<b>(2,017,675)</b>	<b>(6,592,419)</b>	<b>13,726,346</b>
<b>Non-operating activities:</b>									
Unrealized gain on investments	22,587,948	-	4,927,220	16,686	2,100,652	-	-	2,100,652	15,543,390
Pension related expenses other than net periodic pension cost	28,073,207	-	28,073,207	-	-	-	-	-	-
<b>Total non-operating activities</b>	<b>50,661,155</b>	<b>-</b>	<b>33,000,427</b>	<b>16,686</b>	<b>2,100,652</b>	<b>-</b>	<b>-</b>	<b>2,100,652</b>	<b>15,543,390</b>
<b>Changes in net assets</b>	<b>66,318,974</b>	<b>-</b>	<b>43,536,322</b>	<b>22,358</b>	<b>(6,509,442)</b>	<b>-</b>	<b>(2,017,675)</b>	<b>(4,491,767)</b>	<b>29,269,736</b>
<b>Net assets at the beginning of the year</b>	<b>215,570,677</b>	<b>-</b>	<b>42,664,794</b>	<b>212,097</b>	<b>(34,221,458)</b>	<b>-</b>	<b>(4,230,032)</b>	<b>(29,991,426)</b>	<b>206,915,244</b>
<b>Net assets at the end of the year</b>	<b>\$ 281,889,651</b>	<b>-</b>	<b>86,201,116</b>	<b>234,455</b>	<b>(40,730,900)</b>	<b>-</b>	<b>(6,247,707)</b>	<b>(34,483,193)</b>	<b>236,184,980</b>

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, 2013

	Total General Funds	Operating Fund	Building Fund	General Reserve Fund	Catechism Fund	Quasi- Endowment Fund
<b>Revenue:</b>						
<b>Contributions:</b>						
Diocesan assessment	\$ 10,656,551	10,656,551	-	-	-	-
Grants, Bequests, and other	-	-	-	-	-	-
Income on investments	5,333,250	1,884,409	1,255,545	-	66,108	2,127,188
Other	-	-	-	-	-	-
<b>Total revenue</b>	<u>15,989,801</u>	<u>12,540,960</u>	<u>1,255,545</u>	<u>-</u>	<u>66,108</u>	<u>2,127,188</u>
<b>Expenses:</b>						
Grants and donations	116,987	116,987	-	-	-	-
Salaries, taxes and benefits	2,263,257	2,263,257	-	-	-	-
Other program and operating expenses	3,084,267	3,084,267	-	-	-	-
<b>Total expenses</b>	<u>5,464,511</u>	<u>5,464,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund transfers</b>	10,605	1,729,441	10,605	-	-	(1,729,441)
<b>Changes in net assets from operations</b>	<u>10,535,895</u>	<u>8,805,890</u>	<u>1,266,150</u>	<u>-</u>	<u>66,108</u>	<u>397,747</u>
<b>Non-operating activities:</b>						
Unrealized gain on investments	4,927,220	1,391,745	1,287,084	-	67,769	2,180,622
Pension related expenses other than net periodic pension cost	28,073,207	28,073,207	-	-	-	-
<b>Total non-operating activities</b>	<u>33,000,427</u>	<u>29,464,952</u>	<u>1,287,084</u>	<u>-</u>	<u>67,769</u>	<u>2,180,622</u>
<b>Changes in net assets</b>	43,536,322	38,270,842	2,553,234	-	133,877	2,578,369
<b>Net assets at the beginning of the year</b>	<u>42,664,794</u>	<u>(21,986,391)</u>	<u>31,768,508</u>	<u>5,000,000</u>	<u>847,665</u>	<u>27,035,012</u>
<b>Net assets at the end of the year</b>	<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>

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, 2013

	Total Pastoral Activities	Cultural Diversity	Canonical			Doctrine / Pastoral Practices	Ecumenical / Interreligious Affairs	Evangelization	Clergy	
			Child & Youth Protection	Affairs & Church Governance	Divine Worship				Laity Marriage & Family Life	Consecrated Life & Vocation
<b>Revenue:</b>										
<b>Contributions:</b>										
Grants, bequests and other	\$ 907,796	43,000	-	-	-	-	-	-	863,167	1,629
Income on investments	-	-	-	-	-	-	-	-	-	-
Sale of publications	48,037	74	60	-	26,173	-	204	12	21,514	-
Contributed services	777,218	11,259	668,667	-	37,351	-	-	-	19,990	39,951
Other	81,800	80,085	-	-	1,740	-	-	(25)	-	-
<b>Total revenue</b>	<b>1,814,851</b>	<b>134,418</b>	<b>668,727</b>	<b>-</b>	<b>65,264</b>	<b>-</b>	<b>204</b>	<b>(13)</b>	<b>904,671</b>	<b>41,580</b>
<b>Expenses:</b>										
Grants and donations	82,688	75,403	-	-	10	1,500	1,100	-	500	4,175
Salaries, taxes and benefits	4,549,454	1,023,657	445,284	-	294,463	438,102	595,351	631,916	912,707	207,974
Travel and meetings	748,870	244,109	120,229	5,829	59,535	118,752	91,977	78,077	(19,523)	49,885
Professional and contract services	1,019,834	99,521	584,772	300	3,010	3,900	20,372	41,084	230,750	36,125
Printing and mailing	121,265	33,571	9,201	1,656	38,607	4,613	5,141	7,980	17,576	2,920
Other program and operating expenses	221,882	48,809	(3,236)	569	27,209	16,059	41,938	29,684	47,012	13,838
Interfund charges	978,932	220,381	41,073	-	205,319	33,810	49,415	79,179	187,939	161,816
<b>Total expenses</b>	<b>7,722,925</b>	<b>1,745,451</b>	<b>1,197,323</b>	<b>8,354</b>	<b>628,153</b>	<b>616,736</b>	<b>805,294</b>	<b>867,920</b>	<b>1,376,961</b>	<b>476,733</b>
Fund transfers	5,908,074	1,611,033	528,596	8,354	562,889	616,736	805,090	867,933	472,290	435,153
Changes in net assets	-	-	-	-	-	-	-	-	-	-
Net assets at the beginning of the year	-	-	-	-	-	-	-	-	-	-
Net assets at the end of the year	\$ -	-	-	-	-	-	-	-	-	-

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, 2013

	Total Policy Activities	Migration and Refugee Services	Communications Department	Office of Sec- Policy	Catholic Education	Pro-Life Activities	Development and World Peace
<b>Revenue:</b>							
<b>Contributions:</b>							
Grants, bequests, and other	\$ 1,373,923	324,028	78	70	-	913,132	136,615
Government contracts and grants revenue	73,715,703	73,715,703	-	-	-	-	-
Income on investments	-	-	-	-	-	-	-
Sale of publications	6,495,878	8,072	6,192,369	-	-	295,316	121
Royalty income	2,471,607	-	2,469,879	-	-	-	1,728
Collection fees on refugee loans	3,391,647	3,391,647	-	-	-	-	-
Contributed services	-	-	-	-	-	-	-
Other	407,982	77,930	7,571	136,504	65,049	16,374	104,554
<b>Total revenue</b>	<b>87,856,740</b>	<b>77,517,380</b>	<b>8,669,897</b>	<b>136,574</b>	<b>65,049</b>	<b>1,224,822</b>	<b>243,018</b>
<b>Expenses:</b>							
Grants and donations	595,627	355,117	200	50	3,600	13,910	222,750
Sub-recipient government contract expenses	64,191,895	64,191,895	-	-	-	-	-
Salaries, taxes, and benefits	19,662,652	9,206,849	5,714,407	581,231	606,428	569,499	2,984,238
Travel and meetings	1,753,975	569,833	330,746	42,604	52,804	182,351	575,637
Professional and contract services	3,557,270	1,430,896	1,436,239	145,241	37,358	415,731	91,805
Printing and mailing	997,288	274,766	502,605	3,339	3,194	167,923	45,461
Other program and operating expenses	3,433,639	1,040,013	1,966,615	34,561	40,133	191,128	161,189
Interfund charges	6,704,555	3,797,698	1,257,345	30,215	50,351	431,467	1,137,479
<b>Total expenses</b>	<b>100,896,901</b>	<b>80,867,067</b>	<b>11,208,157</b>	<b>837,241</b>	<b>793,868</b>	<b>1,972,009</b>	<b>5,218,559</b>
<b>Fund transfers</b>	<b>11,022,486</b>	<b>1,748,932</b>	<b>2,121,340</b>	<b>700,667</b>	<b>728,819</b>	<b>747,187</b>	<b>4,975,541</b>
<b>Changes in net assets</b>	<b>(2,017,675)</b>	<b>(1,600,755)</b>	<b>(416,920)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at the beginning of the year</b>	<b>(4,230,032)</b>	<b>(1,930,638)</b>	<b>(2,299,394)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at the end of the year</b>	<b>\$ (6,247,707)</b>	<b>(3,531,393)</b>	<b>(2,716,314)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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, 2013

	Total Communications Department	General Communications	Catholic News Service	Publishing
<b>Revenue:</b>				
<b>Contributions:</b>				
Grants, bequests, and other	\$ 78	-	78	-
Income on investments	-	-	-	-
Sale of publications	6,192,369	164	4,208,793	1,983,412
Royalty income	2,469,879	2,100,922	87	368,870
Contributed services	-	-	-	-
Other	7,571	9,725	(16,303)	14,149
<b>Total revenue</b>	<u>8,669,897</u>	<u>2,110,811</u>	<u>4,192,655</u>	<u>2,366,431</u>
<b>Expenses:</b>				
Grants and donations	200	-	200	-
Salaries, taxes, and benefits	5,714,407	2,117,363	2,760,667	836,377
Travel and meetings	330,746	135,999	161,445	33,302
Professional and contract services	1,436,239	582,491	437,624	416,124
Printing and mailing	502,605	17,815	178,632	306,158
Other program and operating expenses	1,966,615	537,465	423,811	1,005,339
Interfund charges	1,257,345	1,257,206	107	32
<b>Total expenses</b>	<u>11,208,157</u>	<u>4,648,339</u>	<u>3,962,486</u>	<u>2,597,332</u>
<b>Fund transfers</b>	<u>2,121,340</u>	<u>2,121,340</u>	<u>-</u>	<u>-</u>
<b>Changes in net assets</b>	(416,920)	(416,188)	230,169	(230,901)
<b>Net assets at the beginning of the year</b>	<u>(2,299,394)</u>	<u>(1,143,804)</u>	<u>(6,802,557)</u>	<u>5,646,967</u>
<b>Net assets at the end of the year</b>	<u>\$ (2,716,314)</u>	<u>(1,559,992)</u>	<u>(6,572,388)</u>	<u>5,416,066</u>

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, 2013**

	Total Migration and Refugee Services	Government Grant/Contract Activity	Other	Unrestricted Funds
<b>Revenue:</b>				
<b>Contributions:</b>				
Grants, bequests, and other	\$ 324,028	50,005	258,076	15,947
Government contracts and grants revenue	73,715,703	73,654,054	61,649	-
Income on investments	-	-	-	-
Sale of publications	8,072	-	-	8,072
Collection fees on refugee loans	3,391,647	-	-	3,391,647
Contributed services	-	-	-	-
Other	77,930	-	5,000	72,930
<b>Total revenue</b>	<b>77,517,380</b>	<b>73,704,059</b>	<b>324,725</b>	<b>3,488,596</b>
<b>Expenses:</b>				
Grants and donations	355,117	37,675	56,650	260,792
Sub-recipient government contract expenses	64,191,895	63,404,351	(133,739)	921,283
Salaries, taxes, and benefits	9,206,849	7,384,584	89,480	1,732,785
Travel and meetings	569,833	317,050	126,358	126,425
Professional and contract services	1,430,896	873,071	178,090	379,735
Printing and mailing	274,766	67,118	45,485	162,163
Other program and operating expenses	1,040,013	617,366	8,967	413,680
Interfund charges	3,797,698	2,437,424	50,741	1,309,533
<b>Total expenses</b>	<b>80,867,067</b>	<b>75,138,639</b>	<b>422,032</b>	<b>5,306,396</b>
Fund transfers	1,748,932	(71,467)	310,753	1,509,646
Changes in net assets	(1,600,755)	(1,506,047)	213,446	(308,154)
Net assets at the beginning of the year	(1,930,638)	(5,399,442)	173,885	3,294,919
Net assets at the end of the year	\$ (3,531,393)	(6,905,489)	387,331	2,986,765

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUE, EXPENSES, AND OTHER CHANGES IN NET ASSETS  
TOTAL NATIONAL COLLECTIONS  
FOR YEAR ENDED DECEMBER 31, 2013

	Total National Collections	CRS	CCHD	CLA	Haiti Earthquake	CCC	CHM	AEE	SFCA	NRRO	Special Collections - Disaster Relief				
											Hurricane	Tornado	Storms	Philippine Typhoon	
<b>Revenue:</b>															
<b>Contribution:</b>															
National collection contribution \$	108,368,904	16,325,073	9,841,999	6,832,515	177,832	3,728,013	9,501,051	7,756,893	2,248,024	29,368,074	6,979,691	601	9,239,723	6,369,415	
Grants, bequests, and other	1,281,808	1,103,429	156,858	-	-	-	-	21,521	-	-	-	-	-	-	
Income on investments	15,162,512	2,044,265	4,160,467	851,056	445,156	955,445	1,421,630	929,485	260,123	3,156,489	140,183	388,635	154,816	254,762	
<b>Total revenue</b>	<b>124,813,224</b>	<b>19,472,767</b>	<b>14,159,324</b>	<b>7,683,571</b>	<b>622,988</b>	<b>4,683,458</b>	<b>10,922,681</b>	<b>8,707,899</b>	<b>2,508,147</b>	<b>32,524,563</b>	<b>7,119,874</b>	<b>389,236</b>	<b>9,394,539</b>	<b>6,624,177</b>	
<b>Expenses:</b>															
Grants and donations	94,940,575	16,395,353	9,731,000	4,978,534	2,628,752	654,058	8,564,838	6,532,143	1,963,760	27,669,017	8,298,993	520,000	5,369,102	1,635,025	
Promotion and fundraising expenses	1,977,254	184,078	382,013	195,905	30,022	133,490	203,391	191,895	63,785	592,675	-	-	-	-	
Salaries, taxes and benefits	1,375,960	-	-	230,210	184,513	-	201,468	246,710	-	513,059	-	-	-	-	
Travel and meetings	411,150	-	-	57,003	21,012	13,608	20,099	141,788	26,844	130,796	-	-	-	-	
Professional and contract services	195,717	-	-	11,101	24,296	406	-	1,073	65,005	93,836	-	-	-	-	
Printing and mailing	41,599	-	-	4,566	1,462	-	2,057	2,553	1,947	29,014	-	-	-	-	
Other program and operating expenses	731,021	681,767	-	1,620	90	-	1,653	2,380	2,106	41,405	-	-	-	-	
Interfund charges	1,713,296	11,803	70,092	415,468	209,828	7,696	312,930	335,285	113,657	236,537	-	-	-	-	
<b>Total expenses</b>	<b>101,386,572</b>	<b>17,273,001</b>	<b>10,183,105</b>	<b>5,894,407</b>	<b>3,099,975</b>	<b>809,258</b>	<b>9,306,436</b>	<b>7,453,827</b>	<b>2,237,104</b>	<b>29,306,339</b>	<b>8,298,993</b>	<b>520,000</b>	<b>5,369,102</b>	<b>1,635,025</b>	
Fund transfers	(9,700,306)	(2,718,760)	(2,929,709)	(432,880)	43,095	(3,672,721)	22,943	41,400	(53,674)	-	-	-	-	-	
Changes in net assets from operations	13,726,346	(518,994)	1,046,510	1,356,284	(2,433,892)	201,479	1,639,188	1,295,472	217,369	3,218,224	(1,179,119)	(130,764)	4,025,437	4,989,152	
<b>Non-operating activities:</b>															
Unrealized gain on investments	15,543,390	2,095,616	4,264,976	872,435	456,339	979,446	1,457,341	952,833	266,657	3,235,778	143,705	398,398	158,705	261,161	
Changes in net assets	29,269,736	1,576,622	5,311,486	2,228,719	(1,977,553)	1,180,925	3,096,529	2,248,305	484,026	6,454,002	(1,035,414)	267,634	4,184,142	5,250,313	
Net assets at the beginning of the year	206,915,244	12,493,980	52,801,774	9,603,483	25,001,909	12,390,641	10,869,682	9,997,320	2,665,028	63,495,533	2,363,446	5,232,448	-	-	
Net assets at the end 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	5,500,082	4,184,142	5,250,313	

See accompanying independent auditors' report.