



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

Consolidated Financial Statements with Supplemental Schedules

December 31, 2017 and 2016

(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, 2017 and 2016, 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, 2017 and 2016, 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 2017 supplementary information included in Schedules 1 through 8 is presented for purposes of additional analysis and is not a required part of the 2017 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 2017 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 2017 consolidated financial statements or to the 2017 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

McLean, Virginia
June 20, 2018

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

Consolidated Statements of Financial Position

December 31, 2017 and 2016

Assets	2017	2016
Cash and cash equivalents	\$ 63,532,107	12,175,264
Short-term investments (note 7)	5,167,774	5,197,951
Accounts receivable:		
Resettlement and other programs – government agencies, net (note 2i)	13,527,252	26,462,860
Other, net	4,511,650	3,981,391
Contributions receivable (note 2i)	44,643,844	47,733,802
Inventories, net, prepaid expenses and other assets	1,552,287	1,194,229
Long-term investments (note 7)	282,061,495	264,797,021
Property and equipment, net (note 4)	12,397,061	13,229,644
Total assets	\$ 427,393,470	374,772,162
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 16,073,435	27,606,919
National collections grants payable (note 2j)	50,881,696	49,743,968
Accrued pension liability (note 10)	38,452,728	39,616,699
Accrued postretirement benefit liability (note 11)	29,540,684	31,180,963
Total liabilities	134,948,543	148,148,549
Net assets:		
Unrestricted net assets:		
General and current operating funds (note 5)	49,014,421	33,101,256
National collections (note 6)	102,669,748	96,193,552
National Religious Retirement Office (note 6)	47,140,854	39,845,915
Total unrestricted net assets	198,825,023	169,140,723
Temporarily restricted net assets (note 6):		
Current operating fund	502,783	450,000
National collections	62,594,237	26,578,681
National Religious Retirement Office	30,270,701	30,222,919
Total temporarily restricted net assets	93,367,721	57,251,600
Permanently restricted net assets (note 9)	252,183	231,290
Total net assets	292,444,927	226,623,613
Commitments and contingencies (notes 12 and 13)		
Total liabilities and net assets	\$ 427,393,470	374,772,162

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, 2017

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenues, gains and other support:				
Contributions:				
Diocesan assessments	\$ 11,644,344	—	—	11,644,344
National collections	—	143,605,120	—	143,605,120
Grants, bequests and other	5,689,357	7,033,152	—	12,722,509
Government contracts and grants revenue (note 3)	72,321,885	—	—	72,321,885
Investment income (note 8)	18,654,931	13,273	20,893	18,689,097
Sale of publications	5,577,762	—	—	5,577,762
Royalty income	2,362,418	—	—	2,362,418
Collection fees on refugee loans	3,525,335	—	—	3,525,335
Contributed services	513,640	—	—	513,640
Other	3,134,218	—	—	3,134,218
	<u>123,423,890</u>	<u>150,651,545</u>	<u>20,893</u>	<u>274,096,328</u>
Net assets released from restrictions	<u>114,535,424</u>	<u>(114,535,424)</u>	<u>—</u>	<u>—</u>
Total operating revenues, gains and other support	<u>237,959,314</u>	<u>36,116,121</u>	<u>20,893</u>	<u>274,096,328</u>
Operating expenses:				
Program services:				
Pastoral activities	9,383,990	—	—	9,383,990
Migration and refugee services (note 3):				
Subrecipient government contract expense	61,651,456	—	—	61,651,456
Other	17,504,264	—	—	17,504,264
Total Migration refugee services	<u>79,155,720</u>	<u>—</u>	<u>—</u>	<u>79,155,720</u>
Communications, policy and advocacy activities	19,470,670	—	—	19,470,670
National collections:				
Grants and donations	107,334,339	—	—	107,334,339
Other	3,660,277	—	—	3,660,277
Total National collections	<u>110,994,616</u>	<u>—</u>	<u>—</u>	<u>110,994,616</u>
Total program expenses	<u>219,004,996</u>	<u>—</u>	<u>—</u>	<u>219,004,996</u>
Supporting services:				
Management and general	11,300,543	—	—	11,300,543
National collections – fundraising	2,203,243	—	—	2,203,243
Total supporting services expenses	<u>13,503,786</u>	<u>—</u>	<u>—</u>	<u>13,503,786</u>
Total expenses	<u>232,508,782</u>	<u>—</u>	<u>—</u>	<u>232,508,782</u>
Increase in net assets from operations	<u>5,450,532</u>	<u>36,116,121</u>	<u>20,893</u>	<u>41,587,546</u>
Nonoperating activities:				
Unrealized appreciation on investments (note 8)	22,855,257	—	—	22,855,257
Pension related changes other than net periodic pension cost (notes 10 and 11)	1,378,511	—	—	1,378,511
Total nonoperating activities	<u>24,233,768</u>	<u>—</u>	<u>—</u>	<u>24,233,768</u>
Change in net assets	29,684,300	36,116,121	20,893	65,821,314
Net assets, beginning of year	169,140,723	57,251,600	231,290	226,623,613
Net assets, end of year	<u>\$ 198,825,023</u>	<u>93,367,721</u>	<u>252,183</u>	<u>292,444,927</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, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenues, gains and other support:				
Contributions:				
Diocesan assessments	\$ 11,307,702	—	—	11,307,702
National collections	—	99,608,493	—	99,608,493
Grants, bequests and other	2,628,331	2,921,308	—	5,549,639
Government contracts and grants revenue (note 3)	95,256,272	—	—	95,256,272
Investment income (note 8)	19,899,978	12,173	5,206	19,917,357
Sale of publications	6,363,378	—	—	6,363,378
Royalty income	2,717,305	—	—	2,717,305
Collection fees on refugee loans	3,627,409	—	—	3,627,409
Contributed services	449,284	—	—	449,284
Other	1,736,582	—	—	1,736,582
	<u>143,986,241</u>	<u>102,541,974</u>	<u>5,206</u>	<u>246,533,421</u>
Net assets released from restrictions	<u>100,782,946</u>	<u>(100,782,946)</u>	<u>—</u>	<u>—</u>
Total operating revenues, gains and other support	<u>244,769,187</u>	<u>1,759,028</u>	<u>5,206</u>	<u>246,533,421</u>
Operating expenses:				
Program services:				
Pastoral activities	8,036,583	—	—	8,036,583
Migration and refugee services (note 3):				
Subrecipient government contract expense	83,982,655	—	—	83,982,655
Other	12,091,105	—	—	12,091,105
Total Migration refugee services	<u>96,073,760</u>	<u>—</u>	<u>—</u>	<u>96,073,760</u>
Communications, policy and advocacy activities	17,486,537	—	—	17,486,537
National collections:				
Grants and donations	98,852,386	—	—	98,852,386
Other	3,525,238	—	—	3,525,238
Total National collections	<u>102,377,624</u>	<u>—</u>	<u>—</u>	<u>102,377,624</u>
Total program expenses	<u>223,974,504</u>	<u>—</u>	<u>—</u>	<u>223,974,504</u>
Supporting services:				
Management and general	11,785,833	—	—	11,785,833
National collections – fundraising	2,268,683	—	—	2,268,683
Total supporting services expenses	<u>14,054,516</u>	<u>—</u>	<u>—</u>	<u>14,054,516</u>
Total expenses	<u>238,029,020</u>	<u>—</u>	<u>—</u>	<u>238,029,020</u>
Increase in net assets from operations	<u>6,740,167</u>	<u>1,759,028</u>	<u>5,206</u>	<u>8,504,401</u>
Nonoperating activities:				
Unrealized appreciation on investments (note 8)	43,344	—	—	43,344
Pension related changes other than net periodic pension cost (notes 10 and 11)	349,576	—	—	349,576
Total nonoperating activities	<u>392,920</u>	<u>—</u>	<u>—</u>	<u>392,920</u>
Change in net assets	7,133,087	1,759,028	5,206	8,897,321
Net assets, beginning of year	162,007,636	55,492,572	226,084	217,726,292
Net assets, end of year	<u>\$ 169,140,723</u>	<u>57,251,600</u>	<u>231,290</u>	<u>226,623,613</u>

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Consolidated Statements of Cash Flows

Years ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 65,821,314	8,897,321
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Allowance for doubtful accounts and obsolescence	16,970	16,505
Depreciation expense	1,205,791	1,342,826
Net realized and unrealized gains on long-term investments	(38,994,059)	(17,149,331)
Decrease (increase) in operating assets:		
Accounts receivable:		
Resettlement and other programs – government agencies	12,935,608	(4,930,156)
Other	(547,229)	(731,486)
Contributions receivable	3,089,958	(2,979,996)
Inventories, prepaid expenses and other assets		(52,069)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(11,533,484)	6,501,693
National collections grants payable	1,137,728	6,498,642
Accrued pension liability	(1,163,971)	(1,809,721)
Accrued postretirement benefit liability	(1,640,279)	67,594
Net cash provided by (used in) operating activities	30,328,347	(4,328,178)
Cash flows from investing activities:		
Purchases of property and equipment	(373,208)	(658,319)
Sales of investments	294,235,706	249,941,431
Purchases of investments	(272,475,944)	(240,023,631)
Net cash provided by investing activities	21,386,554	9,259,481
Increase in cash and cash equivalents	51,714,901	4,931,303
Cash and equivalents, beginning of year	12,175,264	7,243,961
Cash and equivalents, end of year	\$ 63,890,165	12,175,264

See accompanying notes to consolidated financial statements.

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

December 31, 2017 and 2016

(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), the Refugee Travel Assistance Program (RTAP) 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. RTAP is a single member limited liability company formed in the District of Columbia on November 17, 2016 to service refugee travel loans in jurisdictions which require licensing and/or registration to collect loans from persons therein. USCCB consolidates an entity when it holds a majority voting interest in an entity. 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 supplement the diocesan assessments by applying an annual spending rate to use for current operations.

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

December 31, 2017 and 2016

National collections are summarized as follows:

- The Catholic Relief Services Collection (CRSC) is an annual appeal, which provides funding for Catholic Relief Services (CRS) and other identifiable overseas aid programs such as the relief works of the Holy Father, Migration and Refugee Services (MRS), Justice Peace and Human Development (JPHD), and the Catholic Legal Immigration Network, Inc. (CLINIC).
- Catholic Campaign for Human Development (CCHD) is the domestic anti-poverty social justice program of USCCB. Its mission is to address the root causes of poverty in the United States through promotion and support of community-controlled self-help organizations, and through transformative education. Seventy-five percent of the receipts from the CCHD national collection are remitted to USCCB. The remaining 25% of the collection is retained by the dioceses for use in local human development programs.
- Collection for the Church in Latin America (CLA) gives assistance to the Catholic Church within the countries of Latin America and the Caribbean.
- Catholic Communication Campaign (CCC) contributes to the process of evangelization by fostering activities related to television, radio, print, internet, and other media. CCC uses 50% for priority projects of the bishops for national and international distribution, following recommendations by the USCCB Communications Committee's Subcommittee on the Catholic Communication Campaign. The remaining portion of the collection is retained by dioceses for use in local communications projects.
- Catholic Home Missions Appeal (CHMA) gives financial support to missionary activities that strengthen and extend the presence of the Church in the United States and its dependencies.
- Aid to the Church in Central and Eastern Europe (AEE) helps restore pastoral capacity in that area.

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

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

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

(2) Significant Accounting Policies

(a) Basis of Presentation

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

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

December 31, 2017 and 2016

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

(i) Unrestricted Net Assets

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

(ii) 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.

(iii) 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 CLINIC, however, proportional ownership of those portfolios is separately reported by the custodian bank and amounts owned by 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, 2017 and 2016.

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

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

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

December 31, 2017 and 2016

(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, 2017 and 2016, 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 \$105,084 and \$115,333, respectively.

(f) Property and Equipment, Net

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

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

(g) Revenues

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

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

(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.

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

December 31, 2017 and 2016

(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, 2017 and 2016, accounts receivables, primarily amounts due from publication sales, are reflected in the accompanying consolidated statement of financial position net of an allowance for doubtful accounts of \$61,085 and \$78,056 respectively.

Contributions receivable consists primarily of amounts due from dioceses for national collections. Management has determined that no reserves are necessary at December 31, 2017 and 2016 relating to contributions receivable. Contributions receivable is measured at net realizable value (Level 2 input).

At December 31, 2017 and 2016, accounts receivable-resettlement and other programs consisted of the following:

	<u>2017</u>	<u>2016</u>
U.S. Refugee Admissions Program	\$ 5,422,881	15,470,729
Refugee and Entrant Assistance-Voluntary Agency Program	2,331,221	5,680,395
Refugee and Entrant Assistance-Discretionary Grants	693,540	1,024,864
Unaccompanied Alien Children Program	3,679,733	1,814,814
Cuban/Haitian Entrant Resettlement Program	1,061,733	2,037,812
Anti-Trafficking	333,137	430,299
Nonfederal contracts	<u>5,007</u>	<u>3,947</u>
Total accounts receivable-resettlement and other programs	<u>\$ 13,527,252</u>	<u>26,462,860</u>

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

December 31, 2017 and 2016

At December 31, 2017 and 2016, contributions receivable consisted of the following:

	<u>2017</u>	<u>2016</u>
Catholic Campaign for Human Development	\$ 9,082,342	8,749,513
Catholic Communications Campaign	674,902	519,080
Catholic Homes Missions Appeal	1,165,553	987,582
Catholic Relief Service Collection	2,144,490	2,586,950
Collection for the Church in Latin America	648,959	620,195
Collection for Rebuild of Churches hit by Haiti earthquake	4,689,341	8,616,010
Aid to the Church in Central and Eastern Europe	1,496,072	961,329
Collection for NRRO	<u>24,742,185</u>	<u>24,693,143</u>
Total contributions receivable	<u>\$ 44,643,844</u>	<u>47,733,802</u>

(j) National Collections Grants Payable

The Conference receives several funds through the National Collections Office. These funds are granted/disbursed 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, 2017 and 2016, grants payable consisted of the following:

	<u>2017</u>	<u>2016</u>
Catholic Campaign for Human Development	\$ 8,939,775	8,317,081
Catholic Communications Campaign	1,698,876	2,820,228
Catholic Homes Missions Appeal	9,479,000	9,310,802
Catholic Relief Service Collection	14,851,252	14,395,462
Collection for the Church in Latin America	3,249,137	3,030,574
Collection to Rebuild of Churches hit by Haiti earthquake	6,665,612	4,669,608
Aid to the Church in Central and Eastern Europe	5,083,835	1,383,826
Collection for NRRO	17,538	69,684
Other	<u>896,671</u>	<u>5,746,703</u>
Total grants payable	<u>\$ 50,881,696</u>	<u>49,743,968</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.

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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.

(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.

On December 22, 2017, the president of the United States of America signed into Public Law 115-97, the *Tax Cuts and Jobs Act*, which includes several changes relevant to tax exempt organizations, primarily related to unrelated business income, net operating losses, certain new excise taxes, and changes affecting the deductibility of certain expenses. Management is currently in the process of evaluating the new law and the impact it may have on the Conference.

(p) Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which updates financial statement presentation requirements, including replacing the current three classes of net assets (Unrestricted, Temporarily Restricted, and Permanently Restricted) with only two classes – With Donor-imposed Restrictions and Without Donor-imposed Restrictions; requiring entities to present expenses by their natural and functional classifications in location in the financial statements; and requiring entities to provide quantitative and qualitative information about management of liquid resources and availability of financial assets to meet cash needs within one year of the balance sheet date. The ASU is effective for annual reporting periods beginning after December 15, 2017 and early adoption is permitted. USCCB has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

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In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which requires a company to recognize revenue when the company transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. A company also is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB also has issued several amendments to the standard, which are intended to promote a more consistent interpretation and application of the principles outlined in the standard. The standard is effective for annual reporting periods beginning after December 15, 2018. USCCB has not elected to early adopt the guidance and is currently evaluating the impact on financial statements and related disclosures.

(3) Migration and Refugee Services and Programs

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

USCCB was reimbursed \$11,415,905 and \$11,504,703 for direct administrative costs and program services provided for resettlement activities for the years ended December 31, 2017 and 2016.

For the years ended December 31, 2017 and 2016, government contracts and grants revenue consisted of the following:

	<u>2017</u>	<u>2016</u>
U.S. Refugee Admissions Program	\$ 31,586,412	53,372,935
Refugee and Entrant Assistance-Voluntary Agency Programs	14,527,411	20,587,627
Refugee and Entrant Assistance-Discretionary Grants	3,075,864	2,303,284
Unaccompanied Alien Children Program	14,229,883	10,120,286
Cuban/Haitian Entrant Resettlement Program	7,292,451	7,754,027
Anti-Trafficking	<u>1,609,864</u>	<u>1,118,113</u>
Total government contract and grants revenue	<u>\$ 72,321,885</u>	<u>95,256,272</u>

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(4) Property and Equipment, Net

At December 31, 2017 and 2016, property and equipment, net, consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,448,535	1,448,535
Buildings and improvements	34,890,599	34,517,392
Furniture and equipment	3,584,647	3,584,647
Fine artwork and paintings	<u>512,025</u>	<u>512,025</u>
Total property and equipment	40,435,806	40,062,599
Less accumulated depreciation and amortization	<u>(28,038,745)</u>	<u>(26,832,955)</u>
Total property and equipment, net	<u>\$ 12,397,061</u>	<u>13,229,644</u>

(5) General and Current Operating Funds Net Assets

At December 31, 2017 and 2016, general and current operating funds consisted of the following:

	<u>2017</u>	<u>2016</u>
Unrestricted net assets:		
Building fund	\$ 42,180,902	38,139,281
Quasi-endowment fund (note 9)	31,264,333	28,816,496
General reserve fund	5,000,000	5,000,000
Catechism fund	1,289,962	1,127,397
General and current operating funds	<u>(30,720,776)</u>	<u>(39,981,918)</u>
Total unrestricted general and current operating funds	49,014,421	33,101,256
Temporarily restricted net assets:		
Current operating fund	<u>502,783</u>	<u>450,000</u>
Total general and current operating funds	<u>\$ 49,517,204</u>	<u>33,551,256</u>

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(6) National Collections and NRRO Net Assets

At December 31, 2017 and 2016, unrestricted and temporarily restricted net assets for national collections and NRRO were as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Unrestricted</u>	<u>Temporarily restricted</u>
NRRO-Retirement Fund for Religious	\$ 47,140,854	30,270,701	39,845,915	30,222,919
National collections:				
CRSC	5,549,856	2,144,490	10,896,591	2,586,950
CCHD	39,382,243	9,082,342	37,176,597	8,749,512
CLA – Regular collection	9,292,925	648,958	8,770,811	620,195
CLA – Haiti recovery fund	4,240,138	5,333,752	2,879,192	8,632,011
CCC	6,936,404	674,902	6,601,586	519,080
CHM	18,998,329	1,165,553	15,404,596	1,891,372
Church in Africa	3,217,334	657,881	2,752,518	—
AEE	10,410,746	1,496,062	10,904,758	1,049,333
Special collections – Disaster relief	4,641,773	41,390,297	806,903	2,530,228
National collections	<u>102,669,748</u>	<u>62,594,237</u>	<u>96,193,552</u>	<u>26,578,681</u>
Total	<u>\$ 149,810,602</u>	<u>92,864,938</u>	<u>136,039,467</u>	<u>56,801,600</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. USCCB uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments where fair value is determined using other securities, the parameters of which can be directly observed.

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- 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 2017 or 2016.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. The following valuation techniques and inputs were used to determine the fair value of the long-term investments listed below:

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

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

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

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

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The following tables present long-term investments measured at fair value at December 31, 2017 and 2016:

	2017		
	Level 1	Level 2	Total
Cash equivalents	\$ 9,627,147	—	9,627,147
U.S. government and agency securities	16,319,383	—	16,319,383
Corporate bonds	—	11,145,224	11,145,224
Domestic equity securities	144,561,681	—	144,561,681
Institutional mutual funds:			—
Domestic equity funds	—	12,400,636	12,400,636
Foreign equity funds	—	45,633,483	45,633,483
Fixed income funds:			—
U.S. government portfolio	—	15,592,401	15,592,401
Mortgage fund	—	11,302,932	11,302,932
Asset-backed fund	—	963,471	963,471
Mortgage-backed securities	2,442,568	14,662,749	17,105,317
Asset-backed securities	—	5,258,155	5,258,155
Receivables for securities sold	1,188,382	276,454	1,464,836
Liabilities for securities purchased	(1,791,501)	(7,521,670)	(9,313,171)
Total long-term investments	<u>\$ 172,347,660</u>	<u>109,713,835</u>	<u>282,061,495</u>

	2016		
	Level 1	Level 2	Total
Cash equivalents	\$ 4,438,951	—	4,438,951
U.S. government and agency securities	16,374,021	—	16,374,021
Corporate bonds	—	—	—
Domestic equity securities	136,480,069	8,934,220	145,414,289
Institutional mutual funds:			—
Domestic equity funds	—	12,246,627	12,246,627
Foreign equity funds	—	41,311,454	41,311,454
Fixed income funds:			—
U.S. government portfolio	—	15,127,081	15,127,081
Mortgage fund	—	11,054,024	11,054,024
Asset-backed fund	—	848,061	848,061
Mortgage-backed securities	—	13,925,898	13,925,898
Asset-backed securities	2,697,535	5,793,500	8,491,035
Receivables for securities sold	716,597	273,442	990,039
Liabilities for securities purchased	(2,698,453)	(2,726,006)	(5,424,459)
Total long-term investments	<u>\$ 158,008,720</u>	<u>106,788,301</u>	<u>264,797,021</u>

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Investments valued at NAV or its equivalent as of December 31, 2017 and 2016, are measured at fair value on the previous schedules and consisted of the following institutional mutual funds:

<u>Investment</u>	<u>Investment strategy</u>	<u>Redemption restrictions/ liquidity provisions</u>
U.S. government portfolio	Approximate performance of both Bloomberg Barclays U.S. Intermediate and Long Government Bond Index	Daily/2 day prior notice
Mortgage fund	Approximate performance of Bloomberg Barclay U.S. MBS Index over the long term	Daily/2 day prior notice
Foreign equity funds	Invest in equity securities of well-established companies based in those countries included in the Morgan Stanley Capital International All Country World Ex-USA Index	Daily/No prior notice
Domestic equity funds	Approximate the performance of Bloomberg Barclays U.S. Credit Bond Index	Daily/2 day prior notice
Asset-backed fund	Approximate the performance of Bloomberg Barclays U.S. ABS Index/Barclays U.S. CMBS (ERISA Only) Index	Daily/No prior notice

The above funds have no unfunded commitments as of December 31, 2017 and 2016.

(8) Investment Income and Unrealized Appreciation/Depreciation

For the years ended December 31, 2017 and 2016, investment income consisted of the following:

	<u>2017</u>	<u>2016</u>
Investments:		
Interest	\$ 1,299,559	1,150,959
Dividends	2,292,688	2,500,699
Realized gains	16,138,802	17,105,987
Gross investment income	19,731,049	20,757,645
Less investment management fees	(1,041,952)	(840,288)
Net investment income	18,689,097	19,917,357
Unrealized appreciation	22,855,257	43,344
Total return on investments	\$ 41,544,354	19,960,701

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(9) Endowments

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

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

The following illustrates the Villa Stritch Endowment fund net assets for the year ended December 31, 2017:

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance as of January 1, 2017	\$ —	231,290	231,290
Investment income	13,273	20,893	34,166
Distribution	<u>(13,273)</u>	<u>—</u>	<u>(13,273)</u>
Balance as of December 31, 2017	<u>\$ —</u>	<u>252,183</u>	<u>252,183</u>

The following illustrates the Villa Stritch Endowment fund net assets for the year ended December 31, 2016:

	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance as of January 1, 2016	\$ —	226,084	226,084
Investment income	12,173	5,206	17,379
Distribution	<u>(12,173)</u>	<u>—</u>	<u>(12,173)</u>
Balance as of December 31, 2016	<u>\$ —</u>	<u>231,290</u>	<u>231,290</u>

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The following illustrates the changes in unrestricted, board-designated Quasi-Endowment fund net assets for the years ended December 31, 2017 and 2016:

	2017	2016
Unrestricted, board-designated Quasi-Endowment funds, beginning of year	\$ 28,816,496	28,311,413
Investment return – investment income	4,267,454	2,182,233
Transfer to General Operating Fund (spending rate 5.5%)	(1,819,617)	(1,677,150)
Unrestricted, board-designated Quasi-Endowment funds, end of year	\$ 31,264,333	28,816,496

Realized and unrealized appreciation (depreciation) is allocated to the Quasi-Endowment fund. In 2017 and 2016, 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 supplement the annual diocesan assessment.

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

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The actuarial valuation of this retirement plan for 2017 and 2016 were as follows:

	2017	2016
Accumulated benefit obligation	\$ 104,639,253	99,708,734
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 99,708,734	99,313,629
Interest cost	3,957,335	4,154,432
Actuarial loss	5,763,740	966,935
Benefits paid	(4,790,556)	(4,726,262)
Benefit obligation, end of year	104,639,253	99,708,734
Change in plan assets:		
Fair value of plan assets, beginning of year	60,092,035	57,887,209
Actual return on plan assets	9,380,746	4,455,412
Employer contributions	1,504,300	2,475,676
Benefits paid	(4,790,556)	(4,726,262)
Fair value of plan assets, end of year	66,186,525	60,092,035
Funded status – underfunded	\$ 38,452,728	39,616,699
	2017	2016
Items not yet recognized as a component of net periodic pension benefit cost:		
Net actuarial loss	\$ 27,476,870	27,937,270
Net periodic benefit cost:		
Interest cost	\$ 3,957,335	4,154,432
Expected return on plan assets	(3,846,252)	(3,838,725)
Amortization of net actuarial loss	689,646	657,501
Net periodic benefit cost	\$ 800,729	973,208
	2017	2016
Other changes in plan assets and benefit obligation:		
Net actuarial loss	\$ 229,246	350,248
Amortization of actuarial net loss	(689,646)	(657,501)
Total other changes in plan assets and benefit obligation	\$ (460,400)	(307,253)

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The assumptions used to determine the benefit obligation in the actuarial valuations at December 31, 2017 and 2016 were as follows:

	2017	2016
Discount rate	3.54 %	4.06 %
Long-term rate of return on assets	6.60	6.60

The expected long-term rate of return on assets assumption 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.

The assumptions used to determine the net periodic benefit cost in the actuarial valuations at December 31, 2017 and 2016 were as follows:

	2017	2016
Effective discount rate	4.06 %	4.30 %
Long-term rate of return on assets	6.60	6.85

In October 2017, the Society of Actuaries released new data regarding observed mortality rate improvements (the RP-2014 Mortality Tables and the MP-2017 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2017.

Estimated amounts to be amortized into net periodic benefit cost in 2017 are \$648,112 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:

2018	\$	5,442,000
2019		5,681,000
2020		5,869,000
2021		5,950,000
2022		5,993,000
2023–2027		30,243,000

USCCB plans to make a contribution of \$1,385,885 to the pension plan in 2018.

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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.

The following tables present plan assets measured at fair value at December 31, 2017 and 2016 (see note 7):

	2017		
	Level 1	Level 2	Total
Cash equivalents	\$ 1,355,258	—	1,355,258
U.S. government and agency securities	4,470,944	—	4,470,944
Corporate bonds	—	2,748,512	2,748,512
Domestic equity securities	31,271,232	—	31,271,232
Institutional mutual funds:			
Domestic equity funds	—	3,474,511	3,474,511
Foreign equity funds	—	11,043,238	11,043,238
Fixed income funds:			
U.S. government portfolio	—	4,368,806	4,368,806
Mortgage fund	—	3,166,947	3,166,947
Asset-backed fund	—	269,953	269,953
Mortgage-backed securities	556,579	3,714,475	4,271,054
Asset-backed securities	—	1,196,532	1,196,532
Receivables for securities sold	514,256	76,086	590,342
Liabilities for securities purchased	(86,722)	(1,954,082)	(2,040,804)
Total long-term investments	<u>\$ 38,081,547</u>	<u>28,104,978</u>	<u>66,186,525</u>

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	2016		
	Level 1	Level 2	Total
Cash equivalents	\$ 936,483	—	936,483
U.S. government and agency securities	4,439,482	—	4,439,482
Corporate bonds	—	2,089,566	2,089,566
Domestic equity securities	28,469,955	—	28,469,955
Institutional mutual funds:			
Domestic equity funds	—	3,124,543	3,124,543
Foreign equity funds	—	9,714,476	9,714,476
Fixed income funds:			
U.S. government portfolio	—	3,859,448	3,859,448
Mortgage fund	—	2,820,269	2,820,269
Asset-backed fund	—	216,370	216,370
Mortgage-backed securities	521,882	3,293,069	3,814,951
Asset-backed securities	—	1,209,987	1,209,987
Receivables for securities sold	425,017	49,731	474,748
Liabilities for securities purchased	(520,450)	(557,793)	(1,078,243)
Total long-term investments	<u>\$ 34,272,369</u>	<u>25,819,666</u>	<u>60,092,035</u>

The actual asset allocations for 2017 and 2016 and target allocation ranges by asset category for 2017 and 2016 for the pension plan assets were as follows:

	2017	2016	Target allocation range
Cash and cash equivalents	2 %	2 %	<5%
U.S. equity securities	53	55	46–54%
Institutional mutual funds	34	32	13–17%
Fixed income securities	11	11	31–39%

(11) Postretirement Benefits Other Than Pensions

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

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

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

	2017	2016
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 31,180,963	31,113,369
Service cost	366,250	433,639
Interest cost	1,105,946	1,328,481
Medicare Part D benefit subsidy	78,299	81,788
Actuarial gain	(2,203,289)	(902,957)
Benefits paid	(987,485)	(873,357)
Benefit obligation, end of year – underfunded	\$ 29,540,684	31,180,963
	2017	2016
Net periodic benefit cost:		
Service cost	\$ 366,250	433,639
Interest cost	1,105,946	1,328,481
Amortization of prior service credit	(1,500,503)	(1,575,163)
Amortization of actuarial net loss	215,325	714,529
Net periodic benefit cost	\$ 187,018	901,486
	2017	2016
Other changes in plan assets and benefit obligation:		
Net actuarial gain	\$ (2,203,289)	(902,957)
Amortization of prior service credit	1,500,503	1,575,163
Amortization of actuarial net loss	(215,325)	(714,529)
Total other changes in plan assets and benefit obligation	\$ (918,111)	(42,323)

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Estimated amounts to be amortized into net periodic benefit cost in 2017 are \$410,337 from net actuarial loss and \$1,500,503 from prior service credit.

(a) Actuarial Assumptions

The following assumptions were used in calculating the actuarial valuations at December 31, 2017:

	<u>Benefit obligation</u>	<u>Net periodic benefit cost</u>
Discount rate	3.62 %	4.20 %
Health care cost trend rate – medical	7.70	7.04
Health care cost trend rate – prescription drug	8.71	8.31
Ultimate trend rate	4.50	4.50
Year ultimate trend rate is reached	2026/2026	2025/2025

The following assumptions were used in calculating the actuarial valuations at December 31, 2016:

	<u>Benefit obligation</u>	<u>Net periodic benefit cost</u>
Discount rate	4.20 %	4.48 %
Health care cost trend rate – medical	7.04	7.60
Health care cost trend rate – prescription drug	8.31	9.00
Ultimate trend rate	4.50	4.50
Year ultimate trend rate is reached	2025/2025	2024/2024

In October 2017, the Society of Actuaries released new data regarding observed mortality rate improvements (the RP-2014 Mortality Tables and the MP-2017 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2017.

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 2017 postretirement benefit service cost and interest cost by approximately \$265,551 and increase the accumulated postretirement benefit obligation by approximately \$4,547,682. A one percentage-point decrease in the assumed health care cost trend rate would decrease the 2017 postretirement benefit service cost and interest cost by approximately \$210,250, and decrease the accumulated postretirement benefit obligation by approximately \$3,712,844.

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

December 31, 2017 and 2016

(b) Contributions and Benefit Payments

Postretirement benefits are funded on a pay-as-you-go basis. Therefore, employer contributions are equal to benefits paid in each year. For the years ended December 31, 2017 and 2016, the following benefits were paid from plan assets:

	<u>2017</u>	<u>2016</u>
Benefits paid	\$ 987,485	873,357
Employer contribution	909,186	791,569
Medicare Part D benefit subsidy	78,299	81,788

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

	<u>Gross benefit payments</u>	<u>Medicare subsidy receipts</u>	<u>Net benefit payments</u>
2018	\$ 1,264,000	161,000	1,103,000
2019	1,362,000	177,000	1,185,000
2020	1,434,000	154,000	1,280,000
2021	1,521,000	162,000	1,359,000
2022	1,595,000	170,000	1,425,000
2023–2027	<u>8,985,000</u>	<u>948,000</u>	<u>8,037,000</u>
Total	<u>\$ 16,161,000</u>	<u>1,772,000</u>	<u>14,389,000</u>

USCCB plans to make a contribution of \$1,102,519 to the postretirement benefit plan in 2017.

(12) Legal Contingencies

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

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

December 31, 2017 and 2016

(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, 2017, under scheduled operating leases that have initial or remaining terms in excess of one year, are as follows:

2018		\$	315,656
2019			319,193
2020			275,789
2021			<u>109,827</u>
	Total	\$	<u><u>1,020,465</u></u>

For the years ended December 31, 2017 and 2016, rent expense under operating leases was \$376,801 and \$386,354, 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, 2017, and 2016, the total aggregate payment of multi-year employment contracts consist of the following:

	<u>2017</u>	<u>2016</u>
Contracts extend through	2020	2019
Approximate aggregate payments	\$ 987,000	1,171,000

(14) Related Parties

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

For the years ended December 31, 2017 and 2016, the Conference incurred expenses, primarily related to grant awards as follows:

	<u>2017</u>	<u>2016</u>
CLINIC	\$ 3,335,669	2,185,738
CRS	<u>12,667,787</u>	<u>11,446,088</u>
Total expense for related parties	<u><u>\$ 16,003,456</u></u>	<u><u>13,631,826</u></u>

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Notes to Consolidated Financial Statements

December 31, 2017 and 2016

As of December 31, 2017, and 2016, the Conference had balances, primarily related to grant awards, due to related parties as follows:

	<u>2017</u>	<u>2016</u>
CLINIC	\$ 2,625,883	2,151,046
CRS	<u>12,225,369</u>	<u>12,244,416</u>
Total payables to related parties	<u>\$ 14,851,252</u>	<u>14,395,462</u>

(15) Subsequent Events

USCCB evaluated its December 31, 2017 consolidated financial statements for subsequent events through June 20, 2018, 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
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Consolidated Schedule of Revenue, Expenses, and Other Changes in Net Assets

Year ended December 31, 2017

	<u>Current operating fund</u>							<u>National collections</u>
	<u>Total</u>	<u>General funds</u>	<u>Villa Stritch Endowment</u>	<u>Total current operating fund</u>	<u>Pastoral activities</u>	<u>Policy activities</u>	<u>Management and general</u>	
Revenue:								
Contributions:								
Diocesan assessment	\$ 11,644,344	11,644,344	—	—	—	—	—	—
National collections	143,605,120	—	—	—	—	—	—	143,605,120
Grants, bequests, and other	12,722,509	5,201	—	5,468,110	2,576,949	2,891,161	—	7,249,198
Government contracts and grants revenue	72,321,885	—	—	72,321,885	—	72,321,885	—	—
Income on investments	18,689,097	5,166,004	15,403	—	—	—	—	13,507,690
Sale of publications	5,577,762	—	—	5,577,762	374,717	5,202,110	935	—
Royalty income	2,362,418	—	—	2,362,418	—	126,929	2,235,489	—
Collection fees on refugee loans	3,525,335	—	—	3,525,335	—	3,525,335	—	—
Contributed services	513,640	—	—	513,640	136,772	—	376,868	—
Other	3,134,218	151,239	—	2,909,648	1,183,299	1,381,438	344,911	73,331
Total revenue	<u>274,096,328</u>	<u>16,966,788</u>	<u>15,403</u>	<u>92,678,798</u>	<u>4,271,737</u>	<u>85,448,858</u>	<u>2,958,203</u>	<u>164,435,339</u>
Expenses:								
Grants and donations	113,970,028	116,987	—	6,518,702	121,986	6,236,741	159,975	107,334,339
Sub-recipient government contract expenses	61,651,456	—	—	61,651,456	—	61,651,456	—	—
Promotion and fundraising expenses	2,203,243	—	—	—	—	—	—	2,203,243
Salaries, taxes and benefits	32,935,638	(1,441,945) ¹	—	32,898,006	4,769,823	18,901,902	9,226,281	1,479,577
Travel and meetings	5,584,015	843	—	5,172,640	948,493	3,334,141	890,006	410,532
Professional and contract services	8,909,381	11,664	—	8,365,174	1,959,341	3,039,749	3,366,084	532,543
Printing and mailing	2,263,244	1,244	—	2,237,574	339,273	975,598	922,703	24,426
Other program and operating expenses	4,991,777	69,645	—	4,640,167	1,245,075	4,486,802	(1,091,710) ²	281,965
Interfund charges	—	(7,031,121)	—	5,577,055	133,122	6,039,260	(595,327)	1,454,066
Total expenses	<u>232,508,782</u>	<u>(8,272,683)</u>	<u>—</u>	<u>127,060,774</u>	<u>9,517,113</u>	<u>104,665,649</u>	<u>12,878,012</u>	<u>113,720,691</u>
Fund transfers	—	1,342,005	(13,273)	16,005,880	940,377	16,261,596	(1,196,093)	(17,334,612)
Changes in net assets from operations	<u>41,587,546</u>	<u>26,581,476</u>	<u>2,130</u>	<u>(18,376,096)</u>	<u>(4,304,999)</u>	<u>(2,955,195)</u>	<u>(11,115,902)</u>	<u>33,380,036</u>
Nonoperating activities:								
Unrealized appreciation on investments	22,855,257	6,382,058	18,763	—	—	—	—	16,454,436
Pension related changes other than net periodic pension cost	1,378,511	1,378,511	—	—	—	—	—	—
Total nonoperating activities	<u>24,233,768</u>	<u>7,760,569</u>	<u>18,763</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>16,454,436</u>
Changes in net assets before general funds subsidy	<u>65,821,314</u>	<u>34,342,045</u>	<u>20,893</u>	<u>(18,376,096)</u>	<u>(4,304,999)</u>	<u>(2,955,195)</u>	<u>(11,115,902)</u>	<u>49,834,472</u>
General funds subsidy to cover deficit	—	(20,509,483)	—	20,509,483	4,304,999	5,088,582	11,115,902	—
Changes in net assets	<u>65,821,314</u>	<u>13,832,562</u>	<u>20,893</u>	<u>2,133,387</u>	<u>—</u>	<u>2,133,387</u>	<u>—</u>	<u>49,834,472</u>
Net assets at the beginning of the year	<u>226,623,613</u>	<u>27,972,811</u>	<u>231,290</u>	<u>5,578,444</u>	<u>—</u>	<u>5,578,444</u>	<u>—</u>	<u>192,841,068</u>
Net assets at the end of the year	<u>\$ 292,444,927</u>	<u>41,805,373</u>	<u>252,183</u>	<u>7,711,831</u>	<u>—</u>	<u>7,711,831</u>	<u>—</u>	<u>242,675,540</u>

¹ The negative expense amount pertains to the current year decrease pertaining to pension related changes other than net periodic pension costs, which reduced the current year expense amount.

² The negative expense pertains to telephone, information technology, and staff house charges allocated across different funds.

See accompanying independent auditors' report.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Schedule of Revenue, Expenses and Other Changes in Net Assets

General Funds

Year ended December 31, 2017

	<u>Total general funds</u>	<u>Operating fund</u>	<u>Building fund</u>	<u>General reserve fund</u>	<u>Catechism fund</u>	<u>Quasi – Endowment fund</u>
Revenue:						
Diocesan assessment	\$ 11,644,344	11,644,344	—	—	—	—
Grants, bequests, and other	5,201	5,201	—	—	—	—
Income on investments	5,166,004	1,533,087	1,635,752	—	73,288	1,923,877
Other	151,239	151,239	—	—	—	—
Total revenue	<u>16,966,788</u>	<u>13,333,871</u>	<u>1,635,752</u>	<u>—</u>	<u>73,288</u>	<u>1,923,877</u>
Expenses:						
Grants and donations	116,987	116,987	—	—	—	—
Salaries, taxes and benefits	(1,441,945) ¹	(1,441,945) ¹	—	—	—	—
Travel and meetings	843	843	—	—	—	—
Professional and contract services	11,664	11,664	—	—	—	—
Printing and mailing	1,244	1,244	—	—	—	—
Other program and operating expenses	69,645	69,645	—	—	—	—
Interfund charges	(7,031,121)	(7,031,121)	—	—	—	—
Total expenses	<u>(8,272,683)</u>	<u>(8,272,683)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund transfers	1,342,005	2,748,349	413,273	—	—	(1,819,617)
Changes in net assets from operations	<u>26,581,476</u>	<u>24,354,903</u>	<u>2,049,025</u>	<u>—</u>	<u>73,288</u>	<u>104,260</u>
Nonoperating activities:						
Unrealized gain on investments	6,382,058	1,956,609	1,992,596	—	89,276	2,343,577
Pension related expenses other than net periodic pension cost	1,378,511	1,378,511	—	—	—	—
Total nonoperating activities	<u>7,760,569</u>	<u>3,335,120</u>	<u>1,992,596</u>	<u>—</u>	<u>89,276</u>	<u>2,343,577</u>
Changes in net assets before general funds subsidy	34,342,045	27,690,023	4,041,621	—	162,564	2,447,837
General funds subsidy to cover deficit	<u>(20,509,483)</u>	<u>(20,509,483)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Changes in net assets	13,832,562	7,180,540	4,041,621	—	162,564	2,447,837
Net assets at the beginning of the year	<u>27,972,811</u>	<u>(45,110,363)</u>	<u>38,139,281</u>	<u>5,000,000</u>	<u>1,127,397</u>	<u>28,816,496</u>
Net assets at the end of the year	<u>\$ 41,805,373</u>	<u>(37,929,823)</u>	<u>42,180,902</u>	<u>5,000,000</u>	<u>1,289,961</u>	<u>31,264,333</u>

¹ The negative expense pertains to telephone, information technology, and staff house charges allocated across different funds.

See accompanying independent auditors' report.

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

Schedule of Revenue, Expenses and Other Changes in Net Assets

Pastoral Activities

Year ended December 31, 2017

	Total pastoral activities	Cultural diversity	Child & youth protection	Canonical affairs & church governance	Divine worship	Doctrine & pastoral practices	Ecumenical & interreligious affairs	Evangelization & catechesis	Laity marriage & family life	Clergy consecrated life & vocation
Revenue:										
Grants, bequests and other	\$ 2,576,949	1,885,832	—	—	—	—	—	167	690,950	—
Government contract revenue	—	—	—	—	—	—	—	—	—	—
Sale of publications	374,717	325,642	—	—	30,071	—	34	—	18,970	—
Contributed services	136,772	5,514	—	—	26,974	38,460	16,730	—	5,120	43,974
Other	1,183,299	19,273	1,162,386	—	1,640	—	—	—	—	—
Total revenue	4,271,737	2,236,261	1,162,386	—	58,685	38,460	16,764	167	715,040	43,974
Expenses:										
Grants and donations	121,986	119,741	—	1,695	—	—	—	550	—	—
Salaries, taxes and benefits	4,769,823	1,167,767	485,861	—	331,341	408,670	557,926	705,217	909,667	203,374
Travel and meetings	948,493	326,904	206,187	12,915	32,904	43,907	114,256	71,907	97,863	41,650
Professional and contract services	1,959,341	1,027,570	578,389	—	1,022	—	1,171	93,036	235,623	22,530
Printing and mailing	339,273	269,983	11,464	1,909	28,505	4,392	2,176	5,033	12,524	3,287
Other program and operating expenses	1,245,075	347,944	76,414	2,737	168,542	100,268	115,131	93,175	202,180	138,684
Interfund charges	133,122	133,122	—	—	—	—	—	—	—	—
Total expenses	9,517,113	3,393,031	1,358,315	19,256	562,314	557,237	790,660	968,918	1,457,857	409,525
Fund transfers	940,377	940,377	—	—	—	—	—	—	—	—
Changes in net assets before general funds subsidy	(4,304,999)	(216,393)	(195,929)	(19,256)	(503,629)	(518,777)	(773,896)	(968,751)	(742,817)	(365,551)
General funds subsidy to cover deficit	4,304,999	216,393	195,929	19,256	503,629	518,777	773,896	968,751	742,817	365,551
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
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Schedule of Revenue, Expenses and Other Changes in Net Assets

Policy Activities

Year ended December 31, 2017

	Total policy activities	Migration and Refugee Services	Communications Department	Office of Sec- Policy	Catholic Education	Pro-Life activities	Development and World Peace	Priorities & Plans
Revenue:								
Grants, bequests, and other	\$ 2,891,161	615,316	10,000	250,257	30,000	1,295,174	88,164	602,250
Government contract revenue	72,321,885	72,321,885	—	—	—	—	—	—
Sale of publications	5,202,110	5,274	5,009,090	—	—	186,838	908	—
Royalty income	126,929	—	126,929	—	—	—	—	—
Collection fees on refugee loans	3,525,335	3,525,335	—	—	—	—	—	—
Other	1,381,438	1,365	813	—	7,986	4,618	500	1,366,156
Total revenue	<u>85,448,858</u>	<u>76,469,175</u>	<u>5,146,832</u>	<u>250,257</u>	<u>37,986</u>	<u>1,486,630</u>	<u>89,572</u>	<u>1,968,406</u>
Expenses:								
Grants and donations	6,236,741	5,942,032	100	150	200	—	198,157	96,102
Sub-recipient government contract expenses	61,651,456	61,651,456	—	—	—	—	—	—
Salaries, taxes, and benefits	18,901,902	8,730,547	4,852,386	746,111	678,104	1,031,680	2,822,173	40,901
Travel and meetings	3,334,141	433,243	207,681	42,093	100,698	154,148	601,453	1,794,825
Professional and contract services	3,039,749	621,806	1,540,912	93,282	46,376	434,584	97,371	205,418
Printing and mailing	975,598	245,307	514,851	2,183	5,985	124,056	28,354	54,862
Other program and operating expenses	4,486,802	1,531,328	1,886,511	86,235	131,819	277,840	529,943	43,126
Interfund charges	6,039,260	3,078,999	1,576,878	27,926	—	347,663	1,002,932	4,862
Total expenses	<u>104,665,649</u>	<u>82,234,718</u>	<u>10,579,319</u>	<u>997,980</u>	<u>963,182</u>	<u>2,369,971</u>	<u>5,280,383</u>	<u>2,240,096</u>
Fund transfers	<u>16,261,596</u>	<u>7,898,930</u>	<u>4,215,508</u>	<u>(121,658)</u>	<u>—</u>	<u>—</u>	<u>4,269,531</u>	<u>(715)</u>
Changes in net assets before general funds subsidy	<u>(2,955,195)</u>	<u>2,133,387</u>	<u>(1,216,979)</u>	<u>(869,381)</u>	<u>(925,196)</u>	<u>(883,341)</u>	<u>(921,280)</u>	<u>(272,405)</u>
General funds subsidy to cover deficit	<u>5,088,582</u>	<u>—</u>	<u>1,216,979</u>	<u>869,381</u>	<u>925,196</u>	<u>883,341</u>	<u>921,280</u>	<u>272,405</u>
Changes in net assets	<u>2,133,387</u>	<u>2,133,387</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net assets at the beginning of the year	<u>5,578,444</u>	<u>5,578,444</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net assets at the end of the year	<u>\$ 7,711,831</u>	<u>7,711,831</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Schedule of Revenue, Expenses and Other Changes in Net Assets

Migration and Refugee Services

Year ended December 31, 2017

	<u>Total Migration and Refugee Services</u>	<u>Government grant/contract activity</u>	<u>Other</u>	<u>Unrestricted funds</u>
Revenue:				
Grants, bequests, and other	\$ 615,316	8,927	603,337	3,052
Government contracts and grants revenue	72,321,885	72,321,885	—	—
Sale of publications	5,274	—	5	5,269
Collection fees on refugee loans	3,525,335	—	—	3,525,335
Other	1,365	—	—	1,365
	<u>76,469,175</u>	<u>72,330,812</u>	<u>603,342</u>	<u>3,535,021</u>
Total revenue				
Expenses:				
Grants and donations	5,942,032	56,000	5,781,979	104,053
Sub-recipient government contract expenses	61,651,456	61,243,260	456,510	(48,314)
Salaries, taxes, and benefits	8,730,547	7,390,259	132,732	1,207,556
Travel and meetings	433,243	272,574	77,698	82,971
Professional and contract services	621,806	357,658	134,068	130,080
Printing and mailing	245,307	18,194	39,431	187,682
Other program and operating expenses	1,531,328	1,101,686	116,405	313,237
Interfund charges	3,078,999	2,224,319	90,228	764,452
	<u>82,234,718</u>	<u>72,663,950</u>	<u>6,829,051</u>	<u>2,741,717</u>
Total expenses				
Fund transfers	7,898,930	333,138	6,773,464	792,328
	<u>2,133,387</u>	<u>—</u>	<u>547,755</u>	<u>1,585,632</u>
Changes in net assets				
Net assets at the beginning of the year	5,578,444	79,192	647,375	4,851,877
Net assets at the end of the year	<u>\$ 7,711,831</u>	<u>79,192</u>	<u>1,195,130</u>	<u>6,437,509</u>

See accompanying independent auditors' report.

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

Schedule of Revenue, Expenses and Other Changes in Net Assets

Communications Department

Year ended December 31, 2017

	<u>Total Communications Department</u>	<u>General Communication</u>	<u>Catholic News Service</u>	<u>Customer and Client Relations</u>
Revenue:				
Grants, bequests & other	\$ 10,000	—	10,000	—
Sale of publications	5,009,090	—	3,230,220	1,778,870
Royalty income	126,929	—	63	126,866
Other	813	—	813	—
Total revenue	<u>5,146,832</u>	<u>—</u>	<u>3,241,096</u>	<u>1,905,736</u>
Expenses:				
Grants and donations	100	—	100	—
Salaries, taxes, and benefits	4,852,386	999,686	2,892,501	960,199
Travel and meetings	207,681	78,127	101,849	27,705
Professional and contract services	1,540,912	553,359	411,732	575,821
Printing and mailing	514,851	2,382	134,437	378,032
Other program and operating expenses	1,886,511	453,867	557,655	874,989
Interfund charges	1,576,878	314,378	961,288	301,212
Total expenses	<u>10,579,319</u>	<u>2,401,799</u>	<u>5,059,562</u>	<u>3,117,958</u>
Fund transfers	<u>4,215,508</u>	<u>2,658,779</u>	<u>1,012,499</u>	<u>544,230</u>
Changes in net assets before general funds subsidy	(1,216,979)	256,980	(805,967)	(667,992)
General funds subsidy to cover deficit	<u>1,216,979</u>	<u>(256,980)</u>	<u>805,967</u>	<u>667,992</u>
Changes in net assets	—	—	—	—
Net assets at the beginning of the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net assets at the end of the year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

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

Schedule of Revenue, Expenses and Other Changes in Net Assets

National Collections

Year ended December 31, 2017

	<u>Total National Collections</u>	<u>CRS</u>	<u>CCHD</u>	<u>CLA</u>	<u>Haiti Earthquake</u>	<u>CCC</u>	<u>CHM</u>	<u>AEE</u>	<u>SFCA</u>	<u>NRRO</u>	<u>Special</u>
Revenue:											
National collection contributions	\$ 143,605,120	17,336,115	10,767,973	7,749,931	9,029	4,039,366	9,760,811	8,157,753	3,138,739	27,661,017	54,984,386
Grants, bequests, and other	7,249,198	50,000	4,533,747	20	—	—	—	10	—	2,635,421	30,000
Income on investments	13,507,690	1,375,534	2,838,683	737,182	580,489	544,766	1,638,703	865,439	209,551	3,002,011	1,715,332
Sale of publications	—	—	—	—	—	—	—	—	—	—	—
Contributed services	—	—	—	—	—	—	—	—	—	—	—
Other	73,331	—	—	—	73,331	—	—	—	—	—	—
Total revenue	164,435,339	18,761,649	18,140,403	8,487,133	662,849	4,584,132	11,399,514	9,023,202	3,348,290	33,298,449	56,729,718
Expenses:											
Grants and donations	107,334,339	16,503,456	15,669,497	7,470,499	2,979,067	59,076	9,741,419	9,189,908	2,044,346	27,552,769	16,124,302
Promotion and fundraising expenses	2,203,243	218,599	196,613	253,949	7,738	178,542	300,334	277,229	144,216	626,008	15
Salaries, taxes and benefits	1,479,577	—	—	246,079	180,681	—	216,207	257,844	46,363	532,403	—
Travel and meetings	410,532	—	—	57,780	16,035	—	23,916	96,386	39,536	176,879	—
Professional and contract services	532,543	—	—	3,920	3,600	—	—	6,167	102,085	416,771	—
Printing and mailing	24,426	—	—	4,573	—	—	1,137	986	786	16,944	—
Other program and operating expenses	281,965	—	165,620	7,594	40	—	1,421	3,236	1,230	102,824	—
Interfund charges	1,454,066	69,597	69,297	313,229	120,127	59,155	239,357	292,968	102,296	188,040	—
Total expenses	113,720,691	16,791,652	16,101,027	8,357,623	3,307,288	296,773	10,523,791	10,124,724	2,480,858	29,612,638	16,124,317
Fund transfers	(17,334,612)	(9,434,802)	(2,958,849)	(476,633)	—	(4,460,328)	(4,000)	—	—	—	—
Changes in net assets from operations	33,380,036	(7,464,805)	(919,473)	(347,123)	(2,644,439)	(172,969)	871,723	(1,101,522)	867,432	3,685,811	40,605,401
Nonoperating activities:											
Unrealized gain on investments	16,454,436	1,675,611	3,457,950	898,000	707,126	663,608	1,996,191	1,054,238	255,265	3,656,910	2,089,537
Changes in net assets	49,834,472	(5,789,194)	2,538,477	550,877	(1,937,313)	490,639	2,867,914	(47,284)	1,122,697	7,342,721	42,694,938
Net assets at the beginning of the year	192,841,068	13,483,541	45,926,109	9,391,006	11,511,203	7,120,666	17,295,968	11,954,091	2,752,518	70,068,834	3,337,132
Net assets at the end of the year	\$ 242,675,540	7,694,347	48,464,586	9,941,883	9,573,890	7,611,305	20,163,882	11,906,807	3,875,215	77,411,555	46,032,070

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND AFFILIATES

Schedule of Revenue, Expenses and Other Changes in Net Assets

Special Collections

Year ended December 31, 2017

	Total Special Collections	Hurricane	Tornado	Prior years calamities	Storms	Philippine Typhoon	Middle East	2015-2016 Calamities	Louisiana Flood	Hurricane Matthew	Hurricane Matthew-CLA	Hurricane Matthew-CHM	Hurricane Harvey	Hurricane Irma	Hurricane Irma-CLA	Hurricane Irma-CHM	Hurricane Maria	Earthquake Mexico	
Revenue:																			
National collection contributions	\$ 54,984,386	45,694	—	—	38,752	9,180	88,834	247,697	3,449,292	3,797,552	—	—	30,948,690	10,155,385	—	—	4,006,021	2,197,289	—
Grants, bequests, and other	30,000	—	—	—	—	—	—	—	30,000	—	—	—	—	—	—	—	—	—	—
Income on investments	1,715,332	1,680	4,014	1,072	2,459	15,046	17,152	47,572	215,559	61,691	43,391	695	753,925	342,653	—	—	134,495	73,928	—
Sale of publications	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributed services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total revenue	<u>56,729,718</u>	<u>47,374</u>	<u>4,014</u>	<u>1,072</u>	<u>41,211</u>	<u>24,226</u>	<u>105,986</u>	<u>295,269</u>	<u>3,694,851</u>	<u>3,859,243</u>	<u>43,391</u>	<u>695</u>	<u>31,702,615</u>	<u>10,498,038</u>	<u>—</u>	<u>—</u>	<u>4,140,516</u>	<u>2,271,217</u>	<u>—</u>
Expenses:																			
Grants and donations	16,124,302	—	—	—	—	—	—	966,202	3,353,446	1,731,397	856,407	635,897	8,580,953	—	—	—	—	—	—
Promotion and fundraising expenses	15	—	—	—	—	—	—	15	—	—	—	—	—	—	—	—	—	—	—
Salaries, taxes and benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Travel and meetings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Professional and contract services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Printing and mailing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other program and operating expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interfund charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total expenses	<u>16,124,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>966,217</u>	<u>3,353,446</u>	<u>1,731,397</u>	<u>856,407</u>	<u>635,897</u>	<u>8,580,953</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund transfers	—	—	—	—	—	—	—	—	—	(1,969,610)	1,313,074	656,536	—	(5,077,693)	2,031,077	3,046,616	—	—	—
Changes in net assets from operations	40,605,401	47,374	4,014	1,072	41,211	24,226	105,986	(670,948)	341,405	158,236	500,058	21,334	23,121,662	5,420,345	2,031,077	3,046,616	4,140,516	2,271,217	—
Nonoperating activities:																			
Unrealized gain on investments	<u>2,089,537</u>	<u>2,046</u>	<u>4,890</u>	<u>1,305</u>	<u>2,995</u>	<u>18,329</u>	<u>20,894</u>	<u>57,950</u>	<u>262,584</u>	<u>75,149</u>	<u>52,857</u>	<u>847</u>	<u>918,395</u>	<u>417,404</u>	<u>—</u>	<u>—</u>	<u>163,836</u>	<u>90,056</u>	<u>—</u>
Changes in net assets	42,694,938	49,420	8,904	2,377	44,206	42,555	126,880	(612,998)	603,989	233,385	552,915	22,181	24,040,057	5,837,749	2,031,077	3,046,616	4,304,352	2,361,273	—
Net assets at the beginning of the year	<u>3,337,132</u>	<u>2,169</u>	<u>60,634</u>	<u>31,819</u>	<u>17,719</u>	<u>249,167</u>	<u>541,110</u>	<u>804,119</u>	<u>1,077,641</u>	<u>552,754</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net assets at the end of the year	<u>\$ 46,032,070</u>	<u>51,589</u>	<u>69,538</u>	<u>34,196</u>	<u>61,925</u>	<u>291,722</u>	<u>667,990</u>	<u>191,121</u>	<u>1,681,630</u>	<u>786,139</u>	<u>552,915</u>	<u>22,181</u>	<u>24,040,057</u>	<u>5,837,749</u>	<u>2,031,077</u>	<u>3,046,616</u>	<u>4,304,352</u>	<u>2,361,273</u>	<u>—</u>

See accompanying independent auditors' report.