



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

Consolidated Financial Statements with Supplemental Schedules

December 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

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

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KPMG LLP
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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 affiliates, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, 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 affiliates as of December 31, 2020 and 2019, 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.



Emphasis of Matter

As discussed in Note 2(p) to the consolidated financial statements, in 2019 the United States Conference of Catholic Bishops and affiliates adopted new accounting guidance, Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 through 9 is presented for purposes of additional analysis and is not a required part of the 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

Washington, District of Columbia
August 11, 2021

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

Consolidated Statements of Financial Position

December 31, 2020 and 2019

Assets	2020	2019
Cash and cash equivalents	\$ 14,417,587	11,887,424
Short-term investments (note 7)	5,333,448	5,329,433
Accounts receivable:		
Resettlement and other programs – government agencies, net (note 2i)	20,218,696	14,595,147
Other, net (note 2i)	2,615,508	2,616,007
Contributions receivable (note 2i)	29,063,832	44,217,285
Inventories, net, prepaid expenses and other assets	1,053,153	1,219,247
Long-term investments (note 7)	279,036,807	283,159,534
Property and equipment, net (note 4)	13,507,912	13,952,007
Total assets	\$ 365,246,943	376,976,084
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 13,803,945	12,274,458
National collections grants payable (note 2j)	37,126,191	40,295,969
Accrued pension liability (note 10)	33,743,658	33,997,379
Accrued postretirement benefit liability (note 11)	25,556,567	26,179,130
Total liabilities	110,230,361	112,746,936
Net assets:		
Net assets without donor restrictions:		
General and current operating funds (note 5)	82,451,868	63,453,379
National collections (note 6)	75,582,043	89,424,324
National Religious Retirement Office (note 6)	57,177,058	53,049,905
Total net assets without donor restrictions	215,210,969	205,927,608
Net assets with donor restrictions:		
Current operating fund (note 5)	1,732,020	1,262,624
National collections (note 6)	24,684,257	32,747,283
National Religious Retirement Office (note 6)	13,102,433	24,024,915
Villa Stritch endowment fund (note 9)	286,903	266,718
Total net assets with donor restrictions	39,805,613	58,301,540
Total net assets	255,016,582	264,229,148
Commitments and contingencies (notes 12 and 13)		
Total liabilities and net assets	\$ 365,246,943	376,976,084

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Activities

Year ended December 31, 2020

	Without donor restrictions	With donor restrictions	2020 Total
Operating revenues, gains and other support:			
Contributions:			
Diocesan assessments	\$ 11,993,680	—	11,993,680
National collections	—	50,287,931	50,287,931
Grants, bequests and other	2,197,216	1,433,491	3,630,707
Government contracts and grants revenue (note 3)	47,811,795	—	47,811,795
Investment income (note 8)	24,989,151	35,286	25,024,437
Sale of publications	5,630,193	—	5,630,193
Royalty income	2,362,920	—	2,362,920
Collection fees on refugee loans	1,589,760	—	1,589,760
Contributed services	589,013	—	589,013
Other	791,399	237,207	1,028,606
	97,955,127	51,993,915	149,949,042
Net assets released from restrictions	70,489,842	(70,489,842)	—
Total operating revenues, gains and other support	168,444,969	(18,495,927)	149,949,042
Operating expenses:			
Program services:			
Pastoral activities	7,132,926	—	7,132,926
Migration and refugee services (note 3):			
Subrecipient government contract expense	40,762,580	—	40,762,580
Other	9,380,635	—	9,380,635
Total Migration refugee services	50,143,215	—	50,143,215
Communications, policy and advocacy activities	15,485,813	—	15,485,813
National collections:			
Grants and donations	85,878,407	—	85,878,407
Other	2,849,265	—	2,849,265
Total National collections	88,727,672	—	88,727,672
Total program expenses	161,489,626	—	161,489,626
Supporting services:			
Management and general	9,359,965	—	9,359,965
National collections – fundraising	2,215,577	—	2,215,577
Total supporting services expenses	11,575,542	—	11,575,542
Total operating expenses (note 16)	173,065,168	—	173,065,168
Change in net assets from operations	(4,620,199)	(18,495,927)	(23,116,126)
Nonoperating activities:			
Unrealized appreciation on investments (note 8)	15,273,681	—	15,273,681
Pension related changes other than net periodic pension cost (notes 10 and 11)	(1,370,121)	—	(1,370,121)
Total nonoperating activities	13,903,560	—	13,903,560
Change in net assets	9,283,361	(18,495,927)	(9,212,566)
Net assets, beginning of year	205,927,608	58,301,540	264,229,148
Net assets, end of year	\$ 215,210,969	39,805,613	255,016,582

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Activities

Year ended December 31, 2019

	Without donor restrictions	With donor restrictions	2019 Total
Operating revenues, gains and other support:			
Contributions:			
Diocesan assessments	\$ 11,993,680	—	11,993,680
National collections	—	86,548,122	86,548,122
Grants, bequests and other	3,134	3,737,979	3,741,113
Government contracts and grants revenue (note 3)	52,712,944	—	52,712,944
Investment income (note 8)	21,123,436	47,386	21,170,822
Sale of publications	4,901,120	—	4,901,120
Royalty income	2,390,860	—	2,390,860
Collection fees on refugee loans	2,340,523	—	2,340,523
Contributed services	543,480	—	543,480
Other	1,723,264	411,869	2,135,133
	97,732,441	90,745,356	188,477,797
Net assets released from restrictions	102,123,697	(102,123,697)	—
Total operating revenues, gains and other support	199,856,138	(11,378,341)	188,477,797
Operating expenses:			
Program services:			
Pastoral activities	8,738,265	—	8,738,265
Migration and refugee services (note 3):			
Subrecipient government contract expense	45,031,982	—	45,031,982
Other	10,438,546	—	10,438,546
Total Migration refugee services	55,470,528	—	55,470,528
Communications, policy and advocacy activities	17,693,566	—	17,693,566
National collections:			
Grants and donations	97,925,634	—	97,925,634
Other	3,114,202	—	3,114,202
Total National collections	101,039,836	—	101,039,836
Total program expenses	182,942,195	—	182,942,195
Supporting services:			
Management and general	12,253,896	—	12,253,896
National collections – fundraising	2,325,449	—	2,325,449
Total supporting services expenses	14,579,345	—	14,579,345
Total operating expenses (note 16)	197,521,540	—	197,521,540
Change in net assets from operations	2,334,598	(11,378,341)	(9,043,743)
Nonoperating activities:			
Unrealized appreciation on investments (note 8)	31,875,108	—	31,875,108
Pension related changes other than net periodic pension cost (notes 10 and 11)	(4,913,597)	—	(4,913,597)
Total nonoperating activities	26,961,511	—	26,961,511
Change in net assets	29,296,109	(11,378,341)	17,917,768
Net assets, beginning of year	176,631,499	69,679,881	246,311,380
Net assets, end of year	\$ 205,927,608	58,301,540	264,229,148

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (9,212,566)	17,917,768
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Allowance for doubtful accounts and obsolescence	(79,360)	101,166
Depreciation expense	1,066,060	1,308,219
Net realized and unrealized gains on investments	(38,506,803)	(50,319,141)
(Increase) decrease in operating assets:		
Accounts receivable:		
Resettlement and other programs – government agencies	(5,623,549)	(1,128,071)
Other	79,860	1,899,518
Contributions receivable	15,153,453	732,710
Inventories, prepaid expenses and other assets	166,094	38,660
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	1,529,486	(1,837,722)
National collections grants payable	(3,169,778)	(5,998,084)
Accrued pension liability	(253,722)	(285,102)
Accrued postretirement benefit liability	(622,563)	2,147,445
Net cash used in operating activities	(39,473,388)	(35,422,634)
Cash flows from investing activities:		
Purchases of property and equipment	(621,965)	(2,159,024)
Sales of investments	371,476,095	267,566,884
Purchases of investments	(328,850,579)	(231,010,011)
Net cash provided by investing activities	42,003,551	34,397,849
Increase (decrease) in cash and cash equivalents	2,530,163	(1,024,785)
Cash and cash equivalents, beginning of year	11,887,424	12,912,209
Cash and cash equivalents, end of year	\$ 14,417,587	11,887,424

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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.

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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 (CHM) 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 consolidated 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

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Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(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 and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

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

(i) Net Assets Without Donor Restrictions

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

(ii) Net Assets With Donor Restrictions

Net assets whose use is limited by donor-imposed restrictions that either expire with the passage of time or, can be fulfilled and removed by the actions of USCCB pursuant to those restrictions or, require 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, 2020 and 2019.

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 possible that changes in the value of investment

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Notes to Consolidated Financial Statements

December 31, 2020 and 2019

securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated 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 with donor restrictions and are released to net assets without donor restrictions 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, 2020 and 2019, 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 \$68,276.

(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

In accordance with ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. USCCB has elected the simultaneous release policy available under ASU 2018-08, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

Diocesan assessments are contributions received from dioceses. There are no donor-imposed restrictions on the revenue and there is no transfer of goods or services.

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Revenues from the sale of publications is recognized when USCCB fulfills the performance obligation and the customer takes possession of the product. Revenues from the sale of publications also includes subscriptions for news services. USCCB has a performance obligation to provide news services and recognizes revenue on subscriptions as news service is provided. Subscriptions are billed and paid monthly for service periods of one to three years. Payments made in advance of conditions being met at December 31, 2020 and 2019 are \$121,607 and \$217,935, respectively, and are recorded as contract liabilities (within accrued expenses) on the consolidated statements of financial position.

Royalty income is revenue received for the licensing of intellectual property. Revenue is recognized when the performance obligation is fulfilled.

(h) Resettlement Programs

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

(i) Accounts and Contributions Receivable

Accounts receivable consists primarily of amounts due from publication sales, royalties due and government contracts and grants. These amounts are expected to be collected within one year. Accounts receivable, net of allowance for doubtful accounts, not expected to be collected within one year of the statement of financial position date, are recorded at net present value. USCCB determines its allowance by considering a number of factors, including the length of time for which these 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, 2020 and 2019, accounts receivables—other, consists primarily of amounts due from publication sales, are reflected in the accompanying consolidated statements of financial position net of an allowance for doubtful accounts of \$169,835 and \$249,195 respectively.

Contributions receivable consists primarily of amounts due from dioceses for national collections. Management has determined that no reserves are necessary at December 31, 2020 and 2019 relating to contributions receivable. Contributions receivable is initially recorded at net realizable value (Level 2 input).

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December 31, 2020 and 2019

At December 31, 2020 and 2019, accounts receivable-resettlement and other programs consisted of the following:

	<u>2020</u>	<u>2019</u>
U.S. Refugee Admissions Program	\$ 5,588,369	4,108,696
Refugee and Entrant Assistance-Voluntary Agency Program	2,398,557	2,473,851
Refugee and Entrant Assistance-Discretionary Grants	1,889,479	784,521
Unaccompanied Alien Children Program	10,265,225	7,217,473
Cuban/Haitian Entrant Resettlement Program	—	(7,656)
Anti-Trafficking	59,858	18,262
Other	17,208	—
	<u>20,218,696</u>	<u>14,595,147</u>
Total accounts receivable-resettlement and other programs	\$ <u>20,218,696</u>	<u>14,595,147</u>

At December 31, 2020 and 2019, contributions receivable consisted of the following:

	<u>2020</u>	<u>2019</u>
Catholic Campaign for Human Development	\$ 4,053,851	8,080,561
Catholic Communications Campaign	495,934	903,941
Catholic Home Missions Appeal	1,516,095	1,717,523
Catholic Relief Services Collection	2,077,968	2,720,837
Collection for the Church in Latin America	1,432,085	1,020,938
Collection to Rebuild Churches hit by Haiti earthquake	5,067,434	4,933,451
Aid to the Church in Central and Eastern Europe	1,318,032	815,120
National Religious Retirement Office	13,102,433	24,024,914
	<u>29,063,832</u>	<u>44,217,285</u>
Total contributions receivable	\$ <u>29,063,832</u>	<u>44,217,285</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.

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Notes to Consolidated Financial Statements

December 31, 2020 and 2019

At December 31, 2020 and 2019, grants payable consisted of the following:

	<u>2020</u>	<u>2019</u>
Catholic Campaign for Human Development	\$ 7,373,369	6,814,725
Catholic Communications Campaign	730,204	991,524
Catholic Home Missions Appeal	9,535,384	10,170,500
Catholic Relief Services Collection	5,554,061	14,605,315
Collection for the Church in Latin America	3,029,975	962,657
Collection to Rebuild Churches hit by Haiti earthquake	5,586,188	2,736,121
Aid to the Church in Central and Eastern Europe	4,281,238	2,704,363
National Religious Retirement Office	—	21,666
Other	1,035,772	1,289,098
Total grants payable	<u>\$ 37,126,191</u>	<u>40,295,969</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.

(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.

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(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 consolidated 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. USCCB was required to file Form 990-T, Exempt Organization Business Tax Return, reporting unrelated business taxable income resulting from the enactment in section 512(a)(7) in the Tax Cuts and Jobs Act in 2019. USCCB was required to report and pay tax on expenses related to its employee parking lot and transit benefits the USCCB provided to its employees in tax year 2019. Section 512(a)(7) was repealed on December 20, 2019 and USCCB has submitted an amended return requesting a refund on taxes paid. The USCCB received the refund in full in 2020.

(p) Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, 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. USCCB has adopted ASU 2014-09 and all related amendments using the modified retrospective method as of January 1, 2019. The adoption of this ASU did not materially impact the consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. It provides guidance for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. In addition, it clarifies whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. USCCB has adopted ASU 2018-08 and all related amendments using the modified prospective method as of January 1, 2019. The adoption of this ASU did not materially impact the consolidated financial statements.

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(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.

For the years ended December 31, 2020 and 2019, government contracts and grants revenue consisted of the following:

	<u>2020</u>	<u>2019</u>
U.S. Refugee Admissions Program	\$ 11,853,858	16,451,279
Refugee and Entrant Assistance-Voluntary Agency Programs	7,058,608	9,006,622
Refugee and Entrant Assistance-Discretionary Grants	4,020,139	3,144,559
Unaccompanied Alien Children Program	24,768,292	23,236,837
Cuban/Haitian Entrant Resettlement Program	(40,494)	766,082
Anti-Trafficking	151,392	107,565
Total government contract and grants revenue	<u>\$ 47,811,795</u>	<u>52,712,944</u>

(4) Property and Equipment, Net

At December 31, 2020 and 2019, property and equipment, net, consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,448,535	1,448,535
Buildings and improvements	39,285,949	38,663,984
Furniture and equipment	3,872,900	3,872,900
Fine artwork and paintings	512,025	512,025
Total property and equipment	45,119,409	44,497,444
Less accumulated depreciation and amortization	<u>(31,611,497)</u>	<u>(30,545,437)</u>
Total property and equipment, net	<u>\$ 13,507,912</u>	<u>13,952,007</u>

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(5) General and Current Operating Funds Net Assets

At December 31, 2020 and 2019, general and current operating funds consisted of the following:

	2020	2019
Net assets without donor restrictions:		
Building fund	\$ 52,622,001	47,725,428
Quasi-endowment fund (note 9)	35,049,734	32,748,395
General reserve fund	5,000,000	5,000,000
Catechism fund	1,693,371	1,498,945
General and current operating funds	(11,913,238)	(23,519,389)
Total general and current operating funds without donor restrictions	82,451,868	63,453,379
Net assets with donor restrictions:		
Current operating funds	1,732,020	1,262,624
Total general and current operating funds	\$ 84,183,888	64,716,003

(6) National Collections and National Religious Retirement Office Net Assets

At December 31, 2020 and 2019, net assets for National Collections and National Religious Retirement Office include both donor restricted and without donor restricted funds. Donor restricted funds are only available for program activities, or supporting services designated for future years. Net assets with donor restrictions were released from restriction during the years ended December 31, 2020 and 2019, due to time restriction ending or the purpose restriction being accomplished.

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The following illustrates the net assets for National Collections and National Religious Retirement Office:

	2020		2019	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
National Religious Retirement Office	\$ 57,177,058	13,102,433	53,049,905	24,024,915
National collections:				
Catholic Relief Services	3,352,170	2,077,968	3,102,593	2,720,837
Catholic Campaign for Human Development	17,961,604	4,053,851	27,805,129	8,080,561
Church in Latin America	10,080,575	1,432,085	9,302,298	1,020,938
Rebuild Churches hit by Haiti Earthquake	2,173,025	5,067,435	5,553,241	4,933,451
Catholic Communications Campaign	8,199,449	495,934	8,343,043	1,602,699
Catholic Home Missions Appeal	16,722,288	1,516,095	18,945,330	1,717,523
Church in Africa	4,320,047	260,835	3,788,828	409,859
Aid to the Church in Central and Eastern Europe	10,822,336	1,318,032	9,949,353	815,120
Special collections –Disaster relief	1,950,549	8,462,022	2,634,509	11,446,295
National collections	<u>75,582,043</u>	<u>24,684,257</u>	<u>89,424,324</u>	<u>32,747,283</u>
Total	<u>\$ 132,759,101</u>	<u>37,786,690</u>	<u>142,474,229</u>	<u>56,772,198</u>

(7) Investments and Fair Value Measurements

Fair value is the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. USCCB uses valuation approaches that maximizes the use of observable inputs and minimizes the use of unobservable inputs to the extent possible.

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 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

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- Level 2 – Pricing inputs other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments where fair value is determined using other securities, the parameters of which can be directly observed.
- Level 3 – Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date. 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 2020 or 2019.

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, 2020 and 2019:

	2020		
	Level 1	Level 2	Total
Cash equivalents	\$ 3,532,835	362,561	3,895,396
U.S. government and agency securities	17,667,660	2,126,952	19,794,612
Corporate Bonds		10,664,401	10,664,401
Domestic equity securities	140,863,462		140,863,462
Institutional mutual funds:			
Domestic equity funds	—	14,070,971	14,070,971
Foreign equity funds	—	44,341,758	44,341,758
Fixed income funds:			
U.S. government portfolio	—	16,998,119	16,998,119
Mortgage fund	—	11,785,709	11,785,709
Asset-backed fund	—	1,116,294	1,116,294
Mortgage-backed securities	2,360,530	15,305,149	17,665,679
Asset-backed securities	—	4,093,330	4,093,330
Receivables for securities sold	2,442,879	303,746	2,746,625
Liabilities for securities purchased	(40,266)	(8,959,283)	(8,999,549)
Total long-term investments	<u>\$ 166,827,100</u>	<u>112,209,707</u>	<u>279,036,807</u>
	2019		
	Level 1	Level 2	Total
Cash equivalents	\$ 3,598,471	—	3,598,471
U.S. government and agency securities	15,622,455	—	15,622,455
Corporate Bonds	—	11,503,929	11,503,929
Domestic equity securities	137,794,045	—	137,794,045
Institutional mutual funds:			
Domestic equity funds	—	13,692,724	13,692,724
Foreign equity funds	—	44,204,808	44,204,808
Fixed income funds:			
U.S. government portfolio	—	18,886,561	18,886,561
Mortgage fund	—	12,500,419	12,500,419
Asset-backed fund	—	1,175,387	1,175,387
Mortgage-backed securities	3,094,246	17,705,544	20,799,790
Asset-backed securities	—	4,618,834	4,618,834
Receivables for securities sold	830,293	324,987	1,155,280
Liabilities for securities purchased	—	(2,393,169)	(2,393,169)
Total long-term investments	<u>\$ 160,939,510</u>	<u>122,220,024</u>	<u>283,159,534</u>

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Investments valued at NAV or its equivalent as of December 31, 2020 and 2019, 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>
Institutional mutual funds:		
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, 2020 and 2019.

(8) Investment Income and Unrealized Appreciation

For the years ended December 31, 2020 and 2019, investment income consisted of the following:

	<u>2020</u>	<u>2019</u>
Investments:		
Interest	\$ 1,099,949	1,656,764
Dividends	1,936,103	2,333,799
Realized gains	23,233,122	18,444,033
Gross investment income	26,269,174	22,434,596
Less investment management fees	(1,244,737)	(1,263,774)
Net investment income	25,024,437	21,170,822
Unrealized appreciation	15,273,681	31,875,108
Total investment income	<u>\$ 40,298,118</u>	<u>53,045,930</u>

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(9) Endowments

FASB requires that endowment funds with donor restrictions be classified as donor-restricted endowment funds. 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 fund with donor restrictions for the sole purpose of providing support for U.S. diocesan priests serving the Universal Church in various ministries of the Holy See. The Quasi-Endowment Fund was established in 1997 to supplement the diocesan assessments by applying an annual spending rate to use for current operations.

	<u>2020</u>	<u>2019</u>
Donor restricted endowment fund	\$ 286,903	266,718
Board designated quasi-endowment fund	<u>35,049,734</u>	<u>32,748,395</u>
Total endowments	<u>\$ 35,336,637</u>	<u>33,015,113</u>

The following illustrates the changes in the Villa Stritch Endowment fund net assets with donor restrictions for the years ended December 31, 2020 and 2019:

	<u>2020</u> <u>With donor</u> <u>restrictions</u>	<u>2019</u> <u>With donor</u> <u>restrictions</u>
Villa Stritch Endowment fund, beginning of year	\$ 266,718	233,370
Investment income	35,286	47,386
Transfer to Building Fund (5%)	<u>(15,101)</u>	<u>(14,038)</u>
Villa Stritch Endowment fund, end of year	<u>\$ 286,903</u>	<u>266,718</u>

The following illustrates the changes in board-designated Quasi-Endowment fund net assets without donor restrictions for the years ended December 31, 2020 and 2019:

	<u>2020</u> <u>Without donor</u> <u>restrictions</u>	<u>2019</u> <u>Without donor</u> <u>restrictions</u>
Board-designated Quasi-Endowment funds, beginning of year	\$ 32,748,395	28,779,746
Investment return – investment income	4,341,365	5,874,640
Transfer to General Operating Fund (spending rate 5.5%)	<u>(2,040,026)</u>	<u>(1,905,991)</u>
Board-designated Quasi-Endowment funds, end of year	<u>\$ 35,049,734</u>	<u>32,748,395</u>

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Realized and unrealized appreciation (depreciation) is allocated to the Quasi-Endowment fund. In 2020 and 2019, 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.

The actuarial valuation of this retirement plan for 2020 and 2019 were as follows:

	2020	2019
Accumulated benefit obligation	\$ 106,764,988	101,187,115
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 101,187,115	92,461,531
Interest cost	3,024,495	3,720,256
Actuarial loss (gain)	7,936,329	10,464,749
Benefits paid	(5,382,951)	(5,459,421)
Benefit obligation, end of year	106,764,988	101,187,115
Change in plan assets:		
Fair value of plan assets, beginning of year	67,189,736	58,179,050
Actual return on plan assets	10,204,668	11,924,851
Employer contributions	1,009,877	2,545,256
Benefits paid	(5,382,951)	(5,459,421)
Fair value of plan assets, end of year	73,021,330	67,189,736
Funded status – underfunded	\$ 33,743,658	33,997,379

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	2020	2019
Items not yet recognized as a component of net periodic pension benefit cost:		
Net actuarial loss	\$ 27,581,870	26,273,439
Net periodic benefit cost:		
Interest cost	\$ 3,024,495	3,720,256
Expected return on plan assets	(4,279,087)	(3,705,698)
Amortization of net actuarial loss	702,317	657,841
Net periodic benefit cost	\$ (552,275)	672,399

	2020	2019
Other changes in plan assets and benefit obligation:		
Net actuarial loss (gain)	\$ 2,010,748	2,245,596
Amortization of actuarial net loss	(702,317)	(657,841)
Total other changes in plan assets and benefit obligation	\$ 1,308,431	1,587,755

The assumptions used to determine the benefit obligation in the actuarial valuations at December 31, 2020 and 2019 were as follows:

	2020	2019
Discount rate	2.31 %	3.09 %

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, 2020 and 2019 were as follows:

	2020	2019
Discount rate	3.09 %	4.15 %
Long-term rate of return on plan assets	6.60	6.60

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In October 2020, the Society of Actuaries released new data regarding observed mortality rate improvements (the MP-2020 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2020.

Estimated amounts to be amortized into net periodic benefit cost in 2020 are \$784,472 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:

2021	\$	5,884,000
2022		5,990,000
2023		6,052,000
2024		6,067,000
2025		6,007,000
2026–2030		29,314,000

USCCB plans to make a contribution of \$901,117 to the pension plan in 2021.

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.

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The following tables present plan assets measured at fair value at December 31, 2020 and 2019 (see note 7):

	2020		
	Level 1	Level 2	Total
Cash equivalents	\$ 1,498,388	392,990	1,891,378
U.S. government and agency securities	4,582,876	627,981	5,210,857
Corporate bonds	—	2,576,883	2,576,883
Domestic equity securities	35,148,497	—	35,148,497
Institutional mutual funds:			
Domestic equity funds	—	3,604,133	3,604,133
Foreign equity funds	—	13,148,600	13,148,600
Fixed income funds:			
U.S. government portfolio	—	4,353,891	4,353,891
Mortgage fund	—	3,018,786	3,018,786
Asset-backed fund	—	285,927	285,927
Mortgage-backed securities	582,114	3,636,158	4,218,272
Asset-backed securities	—	823,907	823,907
Total plan assets	<u>\$ 41,811,875</u>	<u>32,469,256</u>	<u>74,281,131</u>
	2019		
	Level 1	Level 2	Total
Cash equivalents	\$ 887,630	—	887,630
U.S. government and agency securities	3,941,232	—	3,941,232
Corporate bonds	—	2,603,760	2,603,760
Domestic equity securities	31,000,114	—	31,000,114
Institutional mutual funds:			
Domestic equity funds	—	3,529,436	3,529,436
Foreign equity funds	—	10,981,512	10,981,512
Fixed income funds:			
U.S. government portfolio	—	4,868,200	4,868,200
Mortgage fund	—	3,222,108	3,222,108
Asset-backed fund	—	302,968	302,968
Mortgage-backed securities	704,526	4,116,902	4,821,428
Asset-backed securities	—	1,129,267	1,129,267
Receivables for securities sold	292,176	225,685	517,861
Liabilities for securities purchased	—	(615,780)	(615,780)
Total plan assets	<u>\$ 36,825,678</u>	<u>30,364,058</u>	<u>67,189,736</u>

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The actual asset allocations for 2020 and 2019 and target allocation ranges by asset category for 2020 and 2019 for the pension plan assets were as follows:

	<u>2020</u>	<u>2019</u>	<u>Target allocation range</u>
Cash and cash equivalents	2 %	1 %	<5%
U.S. equity securities	47	53	46–54%
Institutional mutual funds	10	34	13–17%
Fixed income securities	41	12	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.

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

	<u>2020</u>	<u>2019</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 26,179,130	24,031,685
Service cost	241,407	237,362
Interest cost	730,181	955,892
Medicare Part D benefit subsidy	75,859	78,417
Actuarial loss (gain)	(404,845)	1,939,784
Benefits paid	<u>(1,265,165)</u>	<u>(1,064,010)</u>
Benefit obligation, end of year – underfunded	<u>\$ 25,556,567</u>	<u>26,179,130</u>

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	2020	2019
Net periodic benefit credit (cost):		
Service cost	\$ 241,407	237,362
Interest cost	730,181	955,892
Amortization of prior service credit	(466,535)	(1,386,058)
Amortization of actuarial net loss	—	—
Net periodic benefit credit (cost)	\$ 505,053	(192,804)
	2020	2019
Other changes in plan assets and benefit obligation:		
Net actuarial (gain) loss	\$ (404,845)	1,939,784
Amortization of prior service credit	466,535	1,386,058
Amortization of actuarial net loss	—	—
Total other changes in plan assets and benefit obligation	\$ 61,690	3,325,842

Estimated amounts to be amortized into net periodic benefit cost in 2020 are \$233,267 from prior service credit.

(a) Actuarial Assumptions

The following assumptions were used in calculating the actuarial valuations at December 31, 2020:

	Benefit obligation	Net periodic benefit cost
Discount rate	2.47 %	3.19 %
Health care cost trend rate – medical	6.65%	6.94%
Health care cost trend rate – prescription drug	6.79%	7.15%
Ultimate trend rate	4.50%	4.50%
Year ultimate trend rate is reached	2028/2028	2027/2027

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The following assumptions were used in calculating the actuarial valuations at December 31, 2019:

	Benefit obligation	Net periodic benefit cost
Discount rate	3.19 %	4.24 %
Health care cost trend rate – medical	6.94	7.29
Health care cost trend rate – prescription drug	7.15	7.52
Ultimate trend rate	4.50	4.50
Year ultimate trend rate is reached	2027	2027

In October 2019, the Society of Actuaries released new data regarding observed mortality rate improvements (the Pri-2012 Mortality Tables and the MP-2019 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2019.

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 2020 postretirement benefit service cost and interest cost by approximately \$170,255 and increase the accumulated postretirement benefit obligation by approximately \$3,785,471. A one percentage-point decrease in the assumed health care cost trend rate would decrease the 2020 postretirement benefit service cost and interest cost by approximately \$135,154 and decrease the accumulated postretirement benefit obligation by approximately \$3,107,645.

(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, 2020 and 2019, the following benefits were paid from plan assets:

	2020	2019
Benefits paid	\$ 1,265,165	1,064,010
Employer contribution	1,189,306	985,593
Medicare Part D benefit subsidy	75,859	78,417

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

December 31, 2020 and 2019

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

	Gross benefit payments	Medicare subsidy receipts	Net benefit payments
2021	\$ 1,135,000	123,000	1,012,000
2022	1,193,000	128,000	1,065,000
2023	1,255,000	133,000	1,122,000
2024	1,313,000	137,000	1,176,000
2025	1,368,000	141,000	1,227,000
2026-2030	7,299,000	754,000	6,545,000
Total	\$ <u>13,563,000</u>	<u>1,416,000</u>	<u>12,147,000</u>

USCCB plans to make a contribution of \$1,012,000 to the postretirement benefit plan in 2021.

(12) Legal Contingencies

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

(13) Commitments

USCCB leases certain office space and office equipment under various operating lease arrangements with terms in excess of one year. Future minimum lease payments as of December 31, 2020, under scheduled operating leases that have initial or remaining terms in excess of one year, are as follows:

2021	\$ 190,893
2022	62,940
2023	62,940
2024	62,940
2025	46,708
Total	\$ <u>426,421</u>

For the years ended December 31, 2020 and 2019, rent expense under operating leases was \$245,887 and \$424,697, 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.

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

December 31, 2020 and 2019

As of December 31, 2020, and 2019, the total aggregate payment of multi-year employment contracts consists of the following:

	2020	2019
Contracts extend through	2022	2022
Approximate aggregate payments	\$ 1,860,000	1,520,000

(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 the 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, 2020 and 2019, the Conference incurred expenses, primarily related to grant awards as follows:

	2020	2019
CLINIC	\$ 917,124	1,946,587
CRS	5,118,278	13,366,895
Total expenses for related parties	\$ 6,035,402	15,313,482

As of December 31, 2020, and 2019, the Conference had balances, primarily related to grant awards, due to related parties as follows:

	2020	2019
CLINIC	\$ 834,787	2,193,997
CRS	4,719,274	12,411,318
Total payables for related parties	\$ 5,554,061	14,605,315

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

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(15) Financial Assets and Liquidity Resources

As of December 31, 2020, and 2019, financial assets and liquidity resources available within one-year for general expenditures, such as operating expenses and internally funded capital improvements were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 14,417,587	11,887,424
Accounts receivable	22,834,204	17,211,154
Short-term investments	5,333,448	5,329,433
Long term investments available for current use	<u>66,360,793</u>	<u>51,822,904</u>
Total financial assets available within one year	<u>\$ 108,946,032</u>	<u>86,250,915</u>

USCCB long term investments include donor-restricted funds, a donor restricted endowment fund and a quasi-endowment fund. Income from donor-restricted funds are restricted for specific purposes and, therefore, are not available for general expenditure. The quasi-endowment fund has a spending rate of 5.5%. \$2,144,766 of appropriations from the quasi-endowment fund will be available within the next 12 months. The building, general reserve, catechism, and general operating funds of \$64,216,027 are available for general expenditures and are included.

As part of liquidity management, USCCB has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. USCCB has a quasi-endowment cash basis balance of \$38,995,752. Although USCCB does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

(16) Functional Classification of Expenses

The USCCB's primary program activities are comprised of pastoral, migration and refugee services, communications, policy and advocacy, national collections and management and general. Certain costs including depreciation expense, utilities, building maintenance, security, building operations and benefit costs are allocated using cost allocation techniques such as square footage, head count, and direct labor costs. Other supporting services that provide general oversight such as executive offices, finance and accounting, human resources administration, information technology, building services, and general counsel are included in management and general and are not allocated. Information technology and building services costs such as equipment maintenance agreements and software licenses are charged directly to the programs and are not part of administrative overhead.

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

December 31, 2020 and 2019

The following tables presents functional classification of expenses for December 31, 2020 and 2019:

	2020						
	Pastoral	Migration and refugee services	Communications, policy and advocacy activities	National collections without fundraising	National collections fundraising	Management and general	Total
Salaries, taxes and benefits	\$ 5,074,604	7,471,143	9,835,547	2,137,851	417,746	5,499,569	30,436,460
Grants and donations	72,490	286,046	145,514	85,869,275	9,132	118,515	86,500,972
Sub-recipient government contract	—	40,762,580	—	—	—	—	40,762,580
Travel and meetings	122,003	60,218	568,386	106,349	9,000	162,557	1,028,513
Professional and contract services	1,241,446	782,076	2,443,238	375,207	479,276	1,971,263	7,292,506
Depreciation	151,019	212,782	323,780	74,232	—	304,247	1,066,060
Other program and operating expenses	471,364	568,370	2,169,348	164,758	1,300,423	1,303,814	5,978,077
Total operating expenses	<u>\$ 7,132,926</u>	<u>50,143,215</u>	<u>15,485,813</u>	<u>88,727,672</u>	<u>2,215,577</u>	<u>9,359,965</u>	<u>173,065,168</u>

	2019						
	Pastoral	Migration and refugee services	Communications, policy and advocacy activities	National collections without fundraising	National collections fundraising	Management and general	Total
Salaries, taxes and benefits	\$ 5,257,506	7,767,668	10,151,477	1,980,817	335,168	6,158,032	31,650,668
Grants and donations	63,919	414,025	143,408	97,922,346	3,287	69,661	98,616,646
Sub-recipient government contract	—	45,031,982	—	—	—	—	45,031,982
Travel and meetings	1,009,332	293,759	1,218,426	331,558	44,384	1,224,601	4,122,060
Professional and contract services	1,464,942	830,902	2,763,827	343,253	552,148	3,010,329	8,965,401
Depreciation	190,120	276,424	396,630	64,659	—	380,386	1,308,219
Other program and operating expenses	752,446	855,768	3,019,798	397,203	1,390,462	1,410,887	7,826,564
Total operating expenses	<u>\$ 8,738,265</u>	<u>55,470,528</u>	<u>17,693,566</u>	<u>101,039,836</u>	<u>2,325,449</u>	<u>12,253,896</u>	<u>197,521,540</u>

(17) Subsequent Events

In July 2021, the USCCB General Secretary resigned effective immediately. In accordance with the Bylaws, an interim General Secretary was appointed and will serve in such capacity until November 2021, when the Plenary Assembly will elect a General Secretary.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Consolidated Schedule of Revenue, Expenses, and Other Changes in Net Assets

Year ended December 31, 2020

	Current operating fund							National collections
	Total	General funds	Villa Stritch Endowment	Total current operating fund	Pastoral activities	Policy activities	Management and general	
Revenue:								
Diocesan assessment	\$ 11,993,680	11,993,680	—	—	—	—	—	—
National collections	50,287,931	—	—	—	—	—	—	50,287,931
Grants, bequests, and other	3,630,707	161,939	—	3,284,000	910,780	2,373,220	—	184,768
Government contracts and grants revenue	47,811,795	—	—	47,811,795	—	47,811,795	—	—
Income on investments	25,039,992	12,009,861	35,286	14,640	—	—	14,640	12,980,205
Sale of publications	5,630,193	—	—	5,627,817	32,364	5,595,174	279	2,376
Royalty income	2,362,920	—	—	2,362,920	—	207,407	2,155,513	—
Collection fees on refugee loans	1,589,760	—	—	1,589,760	—	1,589,760	—	—
Contributed services	589,013	—	—	589,013	226,563	—	362,450	—
Other	1,013,051	78,205	—	780,792	503,634	144,450	132,708	154,054
Total revenue	149,949,042	24,243,685	35,286	62,060,737	1,673,341	57,721,806	2,665,590	63,609,334
Expenses:								
Grants and donations	86,500,972	30,000	—	592,564	72,490	431,559	88,515	85,878,408
Sub-recipient government contract expenses	40,762,580	—	—	40,762,580	—	40,762,580	—	—
Salaries, taxes and benefits	30,436,460	(2,264,403)	—	30,145,266	5,074,606	17,306,691	7,763,969	2,555,597
Travel and meetings	1,028,513	—	—	913,163	122,004	628,606	162,553	115,350
Professional and contract services	7,292,506	—	—	6,438,022	1,241,446	3,225,315	1,971,261	854,484
Other program and operating expenses	7,044,137	102,407	—	5,402,317	622,383	3,274,280	1,505,654	1,539,413
Interfund charges	—	(6,328,071)	—	5,782,616	132,687	5,328,929	321,000	545,455
Total expenses	173,065,168	(8,460,067)	—	90,036,528	7,265,616	70,957,960	11,812,952	91,488,707
Fund transfers	(1,063)	65,097	(15,101)	8,692,682	723,181	7,941,707	27,794	(8,743,741)
Changes in net assets from operations	(23,117,189)	32,768,849	20,185	(19,283,109)	(4,869,094)	(5,294,447)	(9,119,568)	(36,623,114)
Nonoperating activities:								
Unrealized appreciation on investments	15,274,744	7,352,268	—	—	—	—	—	7,922,476
Pension related expenses other than net periodic pension cost	(1,370,121)	(1,370,121)	—	—	—	—	—	—
Total nonoperating activities	13,904,623	5,982,147	—	—	—	—	—	7,922,476
Changes in net assets before general funds subsidy	(9,212,566)	38,750,996	20,185	(19,283,109)	(4,869,094)	(5,294,447)	(9,119,568)	(28,700,638)
General funds subsidy to cover deficit	—	(18,654,789)	—	18,654,789	4,764,098	4,771,123	9,119,568	—
Changes in net assets	(9,212,566)	20,096,207	20,185	(628,320)	(104,996)	(523,324)	—	(28,700,638)
Net assets at the beginning of the year	264,229,148	55,142,620	266,718	9,573,383	362,333	9,073,702	137,348	199,246,427
Net assets at the end of the year	\$ 255,016,582	75,238,827	286,903	8,945,063	257,337	8,550,378	137,348	170,545,789

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
General Funds

Year ended December 31, 2020

	Total general funds	Operating fund	Building fund	General reserve fund	Catechism fund	Quasi – Endowment fund
Revenue:						
Diocesan assessment	\$ 11,993,680	11,993,680	—	—	—	—
Grants, bequests, and other	161,939	161,939	—	—	—	—
Income on investments	12,009,861	6,472,394	2,720,819	—	120,735	2,695,913
Other	78,205	78,205	—	—	—	—
Total revenue	<u>24,243,685</u>	<u>18,706,218</u>	<u>2,720,819</u>	<u>—</u>	<u>120,735</u>	<u>2,695,913</u>
Expenses:						
Grants and donations	30,000	30,000	—	—	—	—
Salaries, taxes and benefits	(2,264,403)	(2,264,403)	—	—	—	—
Travel and meetings	—	—	—	—	—	—
Professional and contract services	—	—	—	—	—	—
Other program and operating expenses	102,407	102,407	—	—	—	—
Interfund charges	(6,328,071)	(6,328,071)	—	—	—	—
Total expenses	<u>(8,460,067)</u>	<u>(8,460,067)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund transfers	65,097	1,590,023	515,101	—	—	(2,040,027)
Changes in net assets from operations	<u>32,768,849</u>	<u>28,756,308</u>	<u>3,235,920</u>	<u>—</u>	<u>120,735</u>	<u>655,886</u>
Nonoperating activities:						
Unrealized appreciation on investments	7,352,268	3,972,471	1,660,654	—	73,691	1,645,452
Pension related expenses other than net periodic pension cost	(1,370,121)	(1,370,121)	—	—	—	—
Total nonoperating activities	<u>5,982,147</u>	<u>2,602,350</u>	<u>1,660,654</u>	<u>—</u>	<u>73,691</u>	<u>1,645,452</u>
Changes in net assets before general funds subsidy	38,750,996	31,358,658	4,896,574	—	194,426	2,301,338
General funds subsidy to cover deficit	(18,654,789)	(18,654,789)	—	—	—	—
Changes in net assets	20,096,207	12,703,869	4,896,574	—	194,426	2,301,338
Net assets at the beginning of the year	<u>55,142,620</u>	<u>(31,830,147)</u>	<u>47,725,428</u>	<u>5,000,000</u>	<u>1,498,944</u>	<u>32,748,395</u>
Net assets at the end of the year	<u>\$ 75,238,827</u>	<u>(19,126,278)</u>	<u>52,622,002</u>	<u>5,000,000</u>	<u>1,693,370</u>	<u>35,049,733</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
Pastoral Activities

Year ended December 31, 2020

	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	\$ 910,780	283,120	6,500	—	—	—	—	—	621,160	—
Government contract revenue	—	—	—	—	—	—	—	—	—	—
Sale of publications	32,364	5,099	—	—	21,809	—	20	—	5,436	—
Contributed services	226,563	3,975	—	—	101,358	40,274	40,274	—	—	40,682
Other	503,634	17,269	484,927	—	1,438	—	—	—	—	—
Total revenue	1,673,341	309,463	491,427	—	124,605	40,274	40,294	—	626,596	40,682
Expenses:										
Grants and donations	72,490	70,040	2,300	—	—	—	—	—	150	—
Salaries, taxes and benefits	5,074,606	1,183,430	518,399	—	430,611	404,283	604,258	680,190	1,013,612	239,823
Travel and meetings	122,004	12,470	18,850	—	2,639	10,518	21,654	30,953	20,444	4,476
Professional and contract services	1,241,446	458,865	516,241	3,000	45,816	38,772	31,071	44,519	35,803	67,359
Other program and operating expenses	622,383	132,798	56,184	81	103,951	58,128	72,549	52,604	83,379	62,709
Interfund charges	132,687	132,687	—	—	—	—	—	—	—	—
Total expenses	7,265,616	1,990,290	1,111,974	3,081	583,017	511,701	729,532	808,266	1,153,388	374,367
Fund transfers	723,181	723,181	—	—	—	—	—	—	—	—
Changes in net assets before general funds subsidy	(4,869,094)	(957,646)	(620,547)	(3,081)	(458,412)	(471,427)	(689,238)	(808,266)	(526,792)	(333,685)
General funds subsidy to cover deficit	4,764,098	852,650	620,547	3,081	458,412	471,427	689,238	808,266	526,792	333,685
Changes in net assets	(104,996)	(104,996)	—	—	—	—	—	—	—	—
Net assets at the beginning of the year	362,333	362,333	—	—	—	—	—	—	—	—
Net assets at the end of the year	\$ 257,337	257,337	—	—	—	—	—	—	—	—

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
Policy Activities

Year ended December 31, 2020

	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	\$ 2,373,220	961,773	30	350,000	—	711,946	349,471	—
Government contract revenue	47,811,795	47,811,795	—	—	—	—	—	—
Royalty income	207,407	—	207,407	—	—	—	—	—
Sale of publications	5,595,174	239	5,541,222	—	—	53,707	6	—
Collection fees on refugee loans	1,589,760	1,589,760	—	—	—	—	—	—
Other	144,450	115,915	10,000	—	5,380	11,415	1,740	—
Total revenue	57,721,806	50,479,482	5,758,659	350,000	5,380	777,068	351,217	—
Expenses:								
Grants and donations	431,559	286,046	367	—	4,736	4	140,406	—
Sub-recipient government contract expenses	40,762,580	40,762,580	—	—	—	—	—	—
Salaries, taxes, and benefits	17,306,691	7,471,143	4,578,936	783,008	646,673	1,068,174	2,758,757	—
Travel and meetings	628,606	60,219	24,803	5,367	31,972	91,227	415,018	—
Professional and contract services	3,225,315	782,076	1,550,191	96,637	22,004	354,515	412,597	7,295
Other program and operating expenses	3,274,280	781,152	1,810,673	61,517	98,421	220,302	302,215	—
Interfund charges	5,328,929	2,470,282	1,516,225	30,813	—	369,744	941,865	—
Total expenses	70,957,960	52,613,498	9,481,195	977,342	803,806	2,103,966	4,970,858	7,295
Fund transfers	7,941,707	1,571,530	2,965,909	(68,296)	—	(6,877)	3,479,441	—
Changes in net assets before general funds subsidy	(5,294,447)	(562,486)	(756,627)	(695,638)	(798,426)	(1,333,775)	(1,140,200)	(7,295)
General funds subsidy to cover deficit	4,771,123	—	756,002	695,638	838,213	1,333,775	1,140,200	7,295
Changes in net assets	(523,324)	(562,486)	(625)	—	39,787	—	—	—
Net assets at the beginning of the year	9,073,702	8,807,967	14,035	250,000	1,700	—	—	—
Net assets at the end of the year	\$ 8,550,378	8,245,481	13,410	250,000	41,487	—	—	—

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
Policy Activities - Migration and Refugee Services

Year ended December 31, 2020

	Total Migration and Refugee Services	Government grant/contract activity	Other	RTAP	Funds without Donor Restrictions
Revenue:					
Grants, bequests, and other	\$ 961,773	—	961,773	—	—
Government contracts and grants revenue	47,811,795	47,811,795	—	—	—
Sale of publications	239	—	—	—	239
Collection fees on refugee loans	1,589,760	—	—	—	1,589,760
Other	115,915	49	115,866	—	—
Total revenue	50,479,482	47,811,844	1,077,639	—	1,589,999
Expenses:					
Sub-recipient government contract expenses	40,762,580	40,342,220	420,360	—	—
Grants and donations	286,046	198	285,848	—	—
Salaries, taxes, and benefits	7,471,143	5,448,032	1,469,413	—	553,698
Travel and meetings	60,219	38,695	19,343	—	2,181
Professional and contract services	782,076	471,850	264,196	9,467	36,563
Other program and operating expenses	781,152	(81,518)	686,061	11,911	164,698
Interfund charges	2,470,282	1,687,112	783,170	—	—
Total expenses	52,613,498	47,906,589	3,928,391	21,378	757,140
Fund transfers	1,571,530	11,627	1,559,903	—	—
Changes in net assets	(562,486)	(83,118)	(1,290,849)	(21,378)	832,859
Net assets at the beginning of the year	8,807,967	—	1,356,022	(20,690)	7,472,635
Net assets at the end of the year	\$ <u>8,245,481</u>	<u>(83,118)</u>	<u>65,173</u>	<u>(42,068)</u>	<u>8,305,494</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
Policy Activities - Communications Department

Year ended December 31, 2020

	<u>Total Communications Department</u>	<u>General Communication</u>	<u>Catholic News Service</u>	<u>Marketing & Episcopal Resources</u>
Revenue:				
Grants, bequests & other	\$ 30	—	30	—
Sale of publications	5,541,222	5	2,785,919	2,755,298
Royalty income	207,407	—	28,118	179,289
Other	10,000	—	10,000	—
Total revenue	<u>5,758,659</u>	<u>5</u>	<u>2,824,067</u>	<u>2,934,587</u>
Expenses:				
Grants and donations	367	8	356	3
Salaries, taxes, and benefits	4,578,936	2,684,630	1,057,374	836,932
Travel and meetings	24,803	16,355	(2,203)	10,651
Professional and contract services	1,550,191	560,455	234,532	755,204
Other program and operating expenses	1,810,673	605,818	117,422	1,087,433
Interfund charges	1,516,225	276,147	951,855	288,223
Total expenses	<u>9,481,195</u>	<u>4,143,413</u>	<u>2,359,336</u>	<u>2,978,446</u>
Fund transfers	<u>2,965,909</u>	<u>1,599,375</u>	<u>1,347,330</u>	<u>19,204</u>
Changes in net assets before general funds subsidy	(756,627)	(2,544,033)	1,812,061	(24,655)
General funds subsidy to cover deficit	<u>756,002</u>	<u>2,544,033</u>	<u>(1,812,686)</u>	<u>24,655</u>
Changes in net assets	(625)	—	(625)	—
Net assets at the beginning of the year	<u>14,035</u>	<u>—</u>	<u>14,035</u>	<u>—</u>
Net assets at the end of the year	<u>\$ 13,410</u>	<u>—</u>	<u>13,410</u>	<u>—</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
National Collections

Year ended December 31, 2020

	Total National Collections	CRSC	CCHD	CLA	Haiti Earthquake	CCC	CHM	AEE	SFCA	NRRO	Special Collections
Revenue:											
National collection contributions	\$ 50,287,931	7,760,473	4,094,604	6,638,803	—	1,806,309	4,619,652	6,553,466	2,749,073	13,838,798	2,226,753
Grants, bequests, and other	184,768	14,656	14,835	—	—	—	—	—	—	155,277	—
Income on investments	12,980,205	998,546	2,191,187	886,349	594,902	709,318	2,066,794	1,050,613	329,878	4,152,618	—
Sale of publications	2,376	—	—	—	—	—	—	—	—	2,376	—
Contributed services	—	—	—	—	—	—	—	—	—	—	—
Other	154,054	—	—	1,022	133,984	—	10,218	—	—	8,830	—
Total revenue	<u>63,609,334</u>	<u>8,773,675</u>	<u>6,300,626</u>	<u>7,526,174</u>	<u>728,886</u>	<u>2,515,627</u>	<u>6,696,664</u>	<u>7,604,079</u>	<u>3,078,951</u>	<u>18,157,899</u>	<u>2,226,753</u>
Expenses:											
Grants and donations	85,878,408	6,535,402	18,827,442	5,733,374	4,051,001	1,017,372	9,518,462	6,135,938	2,240,902	25,923,531	5,894,984
Salaries, taxes and benefits	2,555,597	56,094	63,330	437,596	205,919	45,797	459,307	438,481	406,829	442,244	—
Travel and meetings	115,350	357	1,239	15,365	4,026	284	9,056	10,028	2,266	72,729	—
Professional and contract services	854,484	59,804	72,465	48,234	5,086	27,281	60,624	71,428	86,548	423,014	—
Other program and operating expenses	1,539,413	167,870	202,663	136,733	10,736	79,341	248,565	140,124	77,736	475,645	—
Interfund charges	545,455	—	—	89,144	62,548	—	83,746	74,460	84,797	150,760	—
Total expenses	<u>91,488,707</u>	<u>6,819,527</u>	<u>19,167,139</u>	<u>6,460,446</u>	<u>4,339,316</u>	<u>1,170,075</u>	<u>10,379,760</u>	<u>6,870,459</u>	<u>2,899,078</u>	<u>27,487,923</u>	<u>5,894,984</u>
Fund transfers	<u>(8,743,741)</u>	<u>(2,957,403)</u>	<u>(2,341,113)</u>	<u>(417,288)</u>	<u>549</u>	<u>(3,028,844)</u>	<u>(2,845)</u>	<u>1,033</u>	<u>981</u>	<u>1,189</u>	<u>—</u>
Changes in net assets from operations	<u>(36,623,114)</u>	<u>(1,003,255)</u>	<u>(15,207,626)</u>	<u>648,440</u>	<u>(3,609,881)</u>	<u>(1,683,292)</u>	<u>(3,685,941)</u>	<u>734,653</u>	<u>180,854</u>	<u>(9,328,835)</u>	<u>(3,668,231)</u>
Nonoperating activities:											
Unrealized appreciation on investments	<u>7,922,476</u>	<u>609,463</u>	<u>1,337,392</u>	<u>540,984</u>	<u>363,099</u>	<u>432,933</u>	<u>1,261,469</u>	<u>641,242</u>	<u>201,341</u>	<u>2,534,553</u>	<u>—</u>
Changes in net assets	<u>(28,700,638)</u>	<u>(393,792)</u>	<u>(13,870,234)</u>	<u>1,189,424</u>	<u>(3,246,782)</u>	<u>(1,250,359)</u>	<u>(2,424,472)</u>	<u>1,375,895</u>	<u>382,195</u>	<u>(6,794,282)</u>	<u>(3,668,231)</u>
Net assets at the beginning of the year	<u>199,246,427</u>	<u>5,823,429</u>	<u>35,885,689</u>	<u>10,323,236</u>	<u>10,486,692</u>	<u>9,945,742</u>	<u>20,662,854</u>	<u>10,764,474</u>	<u>4,198,688</u>	<u>77,074,820</u>	<u>14,080,803</u>
Net assets at the end of the year	<u>\$ 170,545,789</u>	<u>5,429,637</u>	<u>22,015,455</u>	<u>11,512,660</u>	<u>7,239,910</u>	<u>8,695,383</u>	<u>18,238,382</u>	<u>12,140,369</u>	<u>4,580,883</u>	<u>70,280,538</u>	<u>10,412,572</u>

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets
National Collections-Special Collections

Year ended December 31, 2020

	Total Special Collections	Special Collections – Disaster Relief										Subtotal Special Collections		
		BEDF	Hurricane	Tornado	Prior years calamities	Storms	Philippine Typhoon	Middle East	2015-2016 Camanities	Louisiana Flood	Hurricane Matthew		Hurricane Matthew-CLA	Hurricane Matthew-CHM
Revenue:														
National collection contributions	\$ 2,226,753	1,337,842	5,451	—	—	—	171	—	1,500	1,314	17	—	—	880,458
Grants, bequests, and other	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Income on investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sale of publications	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contributed services	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total revenue	2,226,753	1,337,842	5,451	—	—	—	171	—	1,500	1,314	17	—	—	880,458
Expenses:														
Grants and donations	5,894,984	—	27,852	52,822	—	147,790	149,214	57,882	166,278	1,366,613	—	424,924	—	3,501,609
Salaries, taxes and benefits	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Travel and meetings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Professional and contract services	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other program and operating expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interfund charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total expenses	5,894,984	—	27,852	52,822	—	147,790	149,214	57,882	166,278	1,366,613	—	424,924	—	3,501,609
Fund transfers	—	679,320	(27,852)	(17,607)	(33,311)	(49,263)	(149,214)	—	(55,426)	(342,716)	(17)	(3,914)	—	—
Changes in net assets from operations	(3,668,231)	2,017,162	(50,253)	(70,429)	(33,311)	(197,053)	(298,257)	(57,882)	(220,204)	(1,708,015)	—	(428,838)	—	(2,621,151)
Nonoperating activities:														
Unrealized appreciation (depreciation) on investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in net assets	(3,668,231)	2,017,162	(50,253)	(70,429)	(33,311)	(197,053)	(298,257)	(57,882)	(220,204)	(1,708,015)	—	(428,838)	—	(2,621,151)
Net assets at the beginning of the year	14,080,803	—	50,253	70,429	33,311	197,054	298,257	57,882	220,204	1,708,016	—	428,837	138,033	10,878,527
Net assets at the end of the year	\$ 10,412,572	2,017,162	—	—	—	1	—	—	—	1	—	(1)	138,033	8,257,376

See accompanying independent auditors' report.

UNITED STATES CONFERENCE OF CATHOLIC BISHOPS AND AFFILIATE

Schedule of Revenue, Expenses and Other Changes in Net Assets

National Collections-Special Collections

Year ended December 31, 2020

	Subtotal Special Collections	Hurricane Harvey	Hurricane Irma	Hurricane Irma-CLA	Hurricane Irma-CHM	Hurricane Maria	Earthquake Mexico	Hurricane Maria-CLA	Hurricane Maria-CHM	2018 Disasters Emergency
Revenue:										
National collection contributions	\$ 880,458	79,137	97	—	—	2,824	60	—	—	798,340
Grants, bequests, and other	—	—	—	—	—	—	—	—	—	—
Income on investments	—	—	—	—	—	—	—	—	—	—
Sale of publications	—	—	—	—	—	—	—	—	—	—
Contributed services	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Total revenue	880,458	79,137	97	—	—	2,824	60	—	—	798,340
Expenses:										
Grants and donations	3,501,609	—	—	281,825	538,754	—	330,000	—	961,246	1,389,784
Salaries, taxes and benefits	—	—	—	—	—	—	—	—	—	—
Travel and meetings	—	—	—	—	—	—	—	—	—	—
Professional and contract services	—	—	—	—	—	—	—	—	—	—
Other program and operating expenses	—	—	—	—	—	—	—	—	—	—
Interfund charges	—	—	—	—	—	—	—	—	—	—
Total expenses	3,501,609	—	—	281,825	538,754	—	330,000	—	961,246	1,389,784
Fund transfers										
Changes in net assets from operations	(2,621,151)	79,137	97	(281,825)	(538,754)	2,824	(329,940)	—	(961,246)	(591,444)
Nonoperating activities:										
Unrealized appreciation (depreciation) on investments	—	—	—	—	—	—	—	—	—	—
Changes in net assets	(2,621,151)	79,137	97	(281,825)	(538,754)	2,824	(329,940)	—	(961,246)	(591,444)
Net assets at the beginning of the year	10,878,527	3,475,612	—	2,910,089	716,358	—	1,729,052	451,605	961,246	634,565
Net assets at the end of the year	\$ 8,257,376	3,554,749	97	2,628,264	177,604	2,824	1,399,112	451,605	—	43,121

See accompanying independent auditors' report.