



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

Consolidated Financial Statements with Supplemental Schedules

December 31, 2022 and 2021

(With Independent Auditors' Report Thereon)

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

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Independent Auditors' Report

The Administrative Committee
United States Conference of Catholic Bishops:

Opinion

We have audited the consolidated financial statements of United States Conference of Catholic Bishops and affiliates (the Conference), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Conference as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Conference and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conference's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Conference's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conference's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Schedules 1 through 3 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Washington, District of Columbia
July 18, 2023

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Consolidated Statements of Financial Position

December 31, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents	\$ 38,961,963	26,088,412
Short-term investments (note 7)	4,301,665	4,294,176
Accounts receivable:		
Resettlement and other programs – government agencies, net (note 2i)	30,081,416	34,099,412
Other, net (note 2i)	2,699,192	2,644,373
Contributions receivable (note 2i)	34,534,322	36,042,070
Inventories, net, prepaid expenses and other assets	912,360	1,437,598
Long-term investments (note 7)	228,815,089	291,676,657
Property and equipment, net (note 4)	11,469,630	12,573,858
Total assets	\$ 351,775,637	408,856,556
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 25,310,202	35,292,608
National collections grants payable (note 2j)	21,746,389	20,596,069
Accrued pension liability (note 10)	16,562,272	21,747,290
Accrued postretirement benefit liability (note 11)	19,766,411	25,077,983
Total liabilities	83,385,274	102,713,950
Net assets:		
Net assets without donor restrictions:		
General and current operating funds (note 5)	96,217,389	112,083,925
National collections (note 6)	45,213,221	81,504,927
National Religious Retirement Office (note 6)	44,406,942	61,223,297
Total net assets without donor restrictions	185,837,552	254,812,149
Net assets with donor restrictions:		
Current operating fund (note 5)	1,011,270	2,006,253
National collections (note 6)	58,567,820	26,871,003
National Religious Retirement Office (note 6)	22,739,283	22,146,832
Villa Stritch endowment fund (note 9)	234,438	306,369
Total net assets with donor restrictions	82,552,811	51,330,457
Total net assets	268,390,363	306,142,606
Commitments and contingencies (notes 12 and 13)		
Total liabilities and net assets	\$ 351,775,637	408,856,556

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Consolidated Statements of Activities

Year ended December 31, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2022 Total</u>
Operating revenues, gains and other support:			
Contributions:			
Diocesan assessments	\$ 12,352,400	—	12,352,400
National collections	—	103,298,730	103,298,730
Grants, bequests and other	4,181,458	733,058	4,914,516
Government contracts and grants revenue (note 3)	122,574,428	—	122,574,428
Investment income, net (note 8)	22,177,599	—	22,177,599
Sale of publications	4,591,134	—	4,591,134
Royalty income	2,220,280	—	2,220,280
Collection fees on refugee loans	751,889	—	751,889
Contributed services	708,528	—	708,528
Other	1,673,150	156,533	1,829,683
	<u>171,230,866</u>	<u>104,188,321</u>	<u>275,419,187</u>
Net assets released from restrictions	<u>72,965,967</u>	<u>(72,965,967)</u>	<u>—</u>
Total operating revenues, gains and other support	<u>244,196,833</u>	<u>31,222,354</u>	<u>275,419,187</u>
Operating expenses:			
Program services:			
Pastoral activities	9,167,123	—	9,167,123
Migration and refugee services:			
Subrecipient government contract expense	109,426,678	—	109,426,678
Other	15,455,162	—	15,455,162
Total Migration refugee services	<u>124,881,840</u>	<u>—</u>	<u>124,881,840</u>
Communications, policy and advocacy activities	17,419,102	—	17,419,102
National collections:			
Grants and donations	78,360,483	—	78,360,483
Other	2,795,774	—	2,795,774
Total National collections	<u>81,156,257</u>	<u>—</u>	<u>81,156,257</u>
Total program expenses	<u>232,624,322</u>	<u>—</u>	<u>232,624,322</u>
Supporting services:			
Management and general	9,984,383	—	9,984,383
National collections – fundraising	2,774,882	—	2,774,882
Total supporting services expenses	<u>12,759,265</u>	<u>—</u>	<u>12,759,265</u>
Total operating expenses (note 16)	<u>245,383,587</u>	<u>—</u>	<u>245,383,587</u>
Change in net assets from operations	<u>(1,186,754)</u>	<u>31,222,354</u>	<u>30,035,600</u>
Nonoperating activities:			
Unrealized investment loss (note 8)	(75,431,742)	—	(75,431,742)
Pension related changes other than net periodic pension cost (notess 10 and 11)	7,643,899	—	7,643,899
Total nonoperating activities	<u>(67,787,843)</u>	<u>—</u>	<u>(67,787,843)</u>
Change in net assets	(68,974,597)	31,222,354	(37,752,243)
Net assets, beginning of year	<u>254,812,149</u>	<u>51,330,457</u>	<u>306,142,606</u>
Net assets, end of year	<u>\$ 185,837,552</u>	<u>82,552,811</u>	<u>268,390,363</u>

See accompanying notes to consolidated financial statements.

**UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
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Consolidated Statements of Activities

Year ended December 31, 2021

	Without donor restrictions	With donor restrictions	2021 Total
Operating revenues, gains and other support:			
Contributions:			
Diocesan assessments	\$ 12,353,490	—	12,353,490
National collections	—	79,204,186	79,204,186
Grants, bequests and other	4,641,625	455,451	5,097,076
Government contracts and grants revenue (note 3)	67,536,834	—	67,536,834
Investment income, net (note 8)	28,521,197	35,599	28,556,796
Sale of publications	4,795,925	—	4,795,925
Royalty income	2,249,162	—	2,249,162
Collection fees on refugee loans	1,137,860	—	1,137,860
Contributed services	1,044,613	—	1,044,613
Other	811,255	319,159	1,130,414
	123,091,961	80,014,395	203,106,356
Net assets released from restrictions	68,489,551	(68,489,551)	—
Total operating revenues, gains and other support	191,581,512	11,524,844	203,106,356
Operating expenses:			
Program services:			
Pastoral activities	7,856,649	—	7,856,649
Migration and refugee services:			
Subrecipient government contract expense	56,793,840	—	56,793,840
Other	12,235,691	—	12,235,691
Total Migration refugee services	69,029,531	—	69,029,531
Communications, policy and advocacy activities	14,992,998	—	14,992,998
National collections:			
Grants and donations	64,906,554	—	64,906,554
Other	2,590,418	—	2,590,418
Total National collections	67,496,972	—	67,496,972
Total program expenses	159,376,150	—	159,376,150
Supporting services:			
Management and general	9,552,587	—	9,552,587
National collections – fundraising	2,639,730	—	2,639,730
Total supporting services expenses	12,192,317	—	12,192,317
Total operating expenses (note 16)	171,568,467	—	171,568,467
Change in net assets from operations	20,013,045	11,524,844	31,537,889
Nonoperating activities:			
Unrealized appreciation on investments (note 8)	9,447,290	—	9,447,290
Pension related changes other than net periodic pension cost (notess 10 and 11)	10,140,845	—	10,140,845
Total nonoperating activities	19,588,135	—	19,588,135
Change in net assets	39,601,180	11,524,844	51,126,024
Net assets, beginning of year	215,210,969	39,805,613	255,016,582
Net assets, end of year	\$ 254,812,149	51,330,457	306,142,606

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, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (37,752,243)	51,126,024
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Allowance for doubtful accounts and obsolescence	73,269	70,823
Depreciation expense	1,341,342	1,298,243
Net realized and unrealized losses (gains) on investments	56,461,072	(36,552,178)
Decrease (increase) in operating assets:		
Accounts receivable:		
Resettlement and other programs – government agencies	4,017,996	(13,880,717)
Other	(128,088)	(99,687)
Contributions receivable	1,507,748	(6,978,238)
Inventories, prepaid expenses and other assets	525,238	(384,445)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(9,982,406)	21,488,665
National collections grants payable	1,150,320	(16,530,121)
Accrued pension liability	(5,185,018)	(11,996,369)
Accrued postretirement benefit liability	(5,311,572)	(478,584)
Net cash provided by (used in) operating activities	6,717,658	(12,916,584)
Cash flows from investing activities:		
Purchases of property and equipment	(237,114)	(364,190)
Sales of investments	368,685,329	408,852,187
Purchases of investments	(362,292,321)	(383,900,588)
Net cash provided by investing activities	6,155,894	24,587,409
Increase in cash and cash equivalents	12,873,552	11,670,825
Cash and cash equivalents, beginning of year	26,088,412	14,417,587
Cash and cash equivalents, end of year	\$ 38,961,964	26,088,412

See accompanying notes to consolidated financial statements.

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

December 31, 2022 and 2021

(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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December 31, 2022 and 2021

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.
- Church in Central and Eastern Europe (CCEE) 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

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

December 31, 2022 and 2021

(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, CCEE, 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. 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, 2022 and 2021.

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 securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated financial statements.

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

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(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. On December 31, 2021, inventories were 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. The sale of publications was discontinued in 2022 and inventories disposed of in the entirety.

(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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During fiscal 2022, the sale of publications under Catholic News Service was discontinued. Revenues from the sale of publications were recognized when USCCB fulfilled the performance obligation and the customer took possession of the product. Revenues from the sale of publications also included subscriptions for news services. Prior to the sale, USCCB had a performance obligation to provide news services and recognized revenue on subscriptions as news service was provided. Subscriptions were billed and paid monthly for service periods of one to three years. Payments made in advance of conditions being met at December 31, 2022 and 2021 were \$0 and \$43,958, respectively, and were 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 diocesan assessments, charter audits, 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, 2022 and 2021, accounts receivables—other, consisting primarily of amounts due from diocesan assessments, charter audits and royalties due, are reflected in the accompanying consolidated statements of financial position net of an allowance for doubtful accounts of \$313,927 and \$240,657 respectively.

Contributions receivable consists primarily of amounts due from dioceses for national collections. Management has determined that no reserves are necessary at December 31, 2022 and 2021 relating to contributions receivable. Contributions receivable is initially recorded at net realizable value (Level 2 input). These amounts are expected to be collected within one year.

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

December 31, 2022 and 2021

At December 31, 2022 and 2021, accounts receivable-resettlement and other programs consisted of the following:

	<u>2022</u>	<u>2021</u>
U.S. Refugee Admissions Program	\$ 13,928,484	22,016,811
Refugee and Entrant Assistance-Voluntary Agency Program	7,812,128	3,196,889
Refugee and Entrant Assistance-Discretionary Grants	2,804,033	1,225,979
Unaccompanied Alien Children Program	5,470,725	7,564,277
Anti-Trafficking	—	157
Other	<u>66,046</u>	<u>95,299</u>
Total accounts receivable-resettlement and other programs, net	<u>\$ 30,081,416</u>	<u>34,099,412</u>

At December 31, 2022 and 2021, contributions receivable consisted of the following:

	<u>2022</u>	<u>2021</u>
Catholic Campaign for Human Development	\$ 5,613,313	4,424,747
Catholic Communication Campaign	840,388	413,790
Catholic Home Missions Appeal	1,605,256	1,122,589
Catholic Relief Services Collection	2,308,117	1,831,184
Collection for the Church in Latin America	966,675	615,991
Collection to Rebuild Churches hit by Haiti earthquake	—	5,049,559
Church in Central and Eastern Europe	461,290	437,378
National Religious Retirement Office	<u>22,739,283</u>	<u>22,146,832</u>
Total contributions receivable	<u>\$ 34,534,322</u>	<u>36,042,070</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.

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

December 31, 2022 and 2021

At December 31, 2022 and 2021, grants payable consisted of the following:

	<u>2022</u>	<u>2021</u>
Catholic Campaign for Human Development	\$ 285,638	906,478
Catholic Communications Campaign	1,041,085	574,685
Catholic Home Missions Appeal	10,045,447	8,226,071
Collection for the Church in Latin America	1,435,552	1,167,181
Collection to Rebuild Churches hit by Haiti earthquake	4,059,732	4,890,528
Church in Central and Eastern Europe	3,285,083	3,995,959
National Religious Retirement Office	—	34,605
Other	<u>1,593,852</u>	<u>800,562</u>
Total grants payable	<u>\$ 21,746,389</u>	<u>20,596,069</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.

(p) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU-2016 02, *Leases* (Topic 842), to increase the comparability and transparency in financial reporting by requiring recognition of leases in the balance sheet and footnote disclosures of certain lease arrangements. Leases are classified as either capital or operating leases. USCCB adopted Topic 842 in 2022 with no material impact on the consolidated financial statements and related notes to the consolidated financial statements.

(q) Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

(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, 2022 and 2021, government contracts and grants revenue consisted of the following:

	<u>2022</u>	<u>2021</u>
U.S. Refugee Admissions Program	\$ 21,519,132	15,021,018
Refugee and Entrant Assistance-Voluntary Agency Programs	25,991,718	7,601,058
Refugee and Entrant Assistance-Discretionary Grants	13,602,714	3,653,238
Unaccompanied Alien Children Program	25,563,358	24,810,621
SIV EVAC/Afghan Resettlement	35,897,185	16,304,070
Anti-Trafficking and other	<u>321</u>	<u>146,829</u>
Total government contract and grants revenue	<u>\$ 122,574,428</u>	<u>67,536,834</u>

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(4) Property and Equipment, Net

At December 31, 2022 and 2021, property and equipment, net, consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,448,535	1,448,535
Buildings and improvements	39,887,252	39,650,138
Furniture and equipment	3,872,900	3,872,900
Fine artwork and paintings	<u>512,025</u>	<u>512,025</u>
Total property and equipment	45,720,712	45,483,598
Less accumulated depreciation and amortization	<u>(34,251,082)</u>	<u>(32,909,740)</u>
Total property and equipment, net	<u>\$ 11,469,630</u>	<u>12,573,858</u>

(5) General and Current Operating Funds Net Assets

At December 31, 2022 and 2021, general and current operating funds consisted of the following:

	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions:		
Building fund	\$ 49,164,144	57,828,005
Quasi-endowment fund (note 9)	27,955,917	37,050,819
General reserve fund	5,000,000	5,000,000
Catechism fund	1,513,792	1,893,939
General and current operating funds	<u>12,583,536</u>	<u>10,311,162</u>
Total general and current operating funds without donor restrictions	96,217,389	112,083,925
Net assets with donor restrictions:		
Current operating funds	<u>1,011,270</u>	<u>2,006,253</u>
Total general and current operating funds	<u>\$ 97,228,659</u>	<u>114,090,178</u>

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

At December 31, 2022 and 2021, 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, 2022 and 2021, 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:

	2022		2021	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
National Religious Retirement Office	\$ 44,406,942	22,739,283	61,223,297	22,146,832
National collections:				
Catholic Relief Services	2,679,384	23,388,826	6,570,494	7,310,370
Catholic Campaign for Human Development	2,837,843	5,613,313	12,590,146	4,424,748
Church in Latin America	7,656,045	966,675	10,655,103	615,991
Rebuild Churches hit by Haiti Earthquake	1,012,434	4,782,153	2,963,360	5,049,559
Catholic Communications Campaign	6,059,463	840,388	8,772,650	413,790
Catholic Home Missions Appeal	9,393,918	1,605,256	17,750,158	1,122,589
Church in Africa	2,866,324	—	4,801,373	—
Church in Central and Eastern Europe	5,627,462	15,175,987	10,233,827	437,378
Special collections – Disaster relief	7,080,348	6,195,222	7,167,816	7,496,578
National collections	<u>45,213,221</u>	<u>58,567,820</u>	<u>81,504,927</u>	<u>26,871,003</u>
Total	<u>\$ 89,620,163</u>	<u>81,307,103</u>	<u>142,728,224</u>	<u>49,017,835</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 maximize 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.
- 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.

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- 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 2022 or 2021.

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 their readily determinable fair value. These institutional mutual funds are classified at level 2.

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

The following tables present long-term investments measured at fair value at December 31, 2022 and 2021:

	2022		
	Level 1	Level 2	Total
Cash equivalents	\$ 5,302,997	—	5,302,997
Domestic equity securities	84,543,852	105,503	84,649,355
International equity securities	63,624,316	—	63,624,316
Fixed income funds:			
U.S. government portfolio	13,902,475	54,420,678	68,323,153
Mortgage fund	—	17,569,838	17,569,838
Asset-backed fund	—	462,151	462,151
Receivables for securities sold	—	904,587	904,587
Liabilities for securities purchased	—	(12,021,308)	(12,021,308)
Total long-term investments	<u>\$ 167,373,640</u>	<u>61,441,449</u>	<u>228,815,089</u>

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	2021		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash equivalents	\$ 6,322,607	738	6,323,345
Domestic equity securities	155,146,583	139,524	155,286,107
International equity securities	43,532,987	—	43,532,987
Fixed income funds:			
U.S. government portfolio	16,808,468	60,285,342	77,093,810
Mortgage fund	—	17,902,202	17,902,202
Asset-backed fund	—	505,140	505,140
Receivables for securities sold	—	8,431,973	8,431,973
Liabilities for securities purchased	—	(17,398,907)	(17,398,907)
Total long-term investments	<u>\$ 221,810,645</u>	<u>69,866,012</u>	<u>291,676,657</u>

(8) Investment Income and Unrealized Appreciation

For the years ended December 31, 2022 and 2021, investment (loss) income consisted of the following:

	<u>2022</u>	<u>2021</u>
Investments:		
Interest	\$ 1,273,497	819,450
Dividends	2,390,789	1,776,322
Realized gains	<u>18,970,671</u>	<u>27,104,887</u>
Gross investment income	22,634,957	29,700,659
Less investment management fees	<u>(457,358)</u>	<u>(1,143,863)</u>
Net investment income	22,177,599	28,556,796
Unrealized investment (loss) appreciation	<u>(75,431,742)</u>	<u>9,447,290</u>
Total investment (loss) income	<u>\$ (53,254,143)</u>	<u>38,004,086</u>

(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.

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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.

Endowments consisted of the following funds for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Donor restricted endowment fund	\$ 234,438	306,369
Board designated quasi-endowment fund	<u>27,955,917</u>	<u>37,050,819</u>
Total endowments	<u>\$ 28,190,355</u>	<u>37,357,188</u>

The following illustrates the changes in the Villa Stritch Endowment fund net assets with donor restrictions for the years ended December 31, 2022 and 2021:

	<u>2022</u> <u>With donor</u> <u>restrictions</u>	<u>2021</u> <u>With donor</u> <u>restrictions</u>
Villa Stritch Endowment fund, beginning of year	\$ 306,369	286,903
Investment (loss) income	(59,591)	35,598
Transfer to Building Fund (5%)	<u>(12,340)</u>	<u>(16,132)</u>
Villa Stritch Endowment fund, end of year	<u>\$ 234,438</u>	<u>306,369</u>

The following illustrates the changes in board-designated Quasi-Endowment fund which is included in the general and current operating funds financial statement line within net assets without donor restrictions on the consolidated statement of financial position for the years ended December 31, 2022 and 2021:

	<u>2022</u> <u>Without donor</u> <u>restrictions</u>	<u>2021</u> <u>Without donor</u> <u>restrictions</u>
Board-designated Quasi-Endowment funds, beginning of year	\$ 37,050,819	35,049,734
Investment (loss) income	(7,467,654)	4,169,530
Transfer to General Operating Fund (spending rate 5.5%)	<u>(1,627,248)</u>	<u>(2,168,445)</u>
Board-designated Quasi-Endowment funds, end of year	<u>\$ 27,955,917</u>	<u>37,050,819</u>

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Realized and unrealized appreciation (depreciation) is allocated to the Quasi-Endowment fund. In 2022 and 2021, 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 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Accumulated benefit obligation	\$ 75,868,153	100,154,971
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 100,154,971	106,764,988
Interest cost	2,555,482	2,398,694
Actuarial gain	(21,140,973)	(3,420,079)
Benefits paid	<u>(5,701,327)</u>	<u>(5,588,632)</u>
Benefit obligation, end of year	<u>75,868,153</u>	<u>100,154,971</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	78,407,681	73,021,330
Actual return on plan assets	(14,358,473)	10,073,866
Employer contributions	958,000	901,117
Benefits paid	<u>(5,701,327)</u>	<u>(5,588,632)</u>
Fair value of plan assets, end of year	<u>59,305,881</u>	<u>78,407,681</u>
Funded status – underfunded	<u>\$ 16,562,272</u>	<u>21,747,290</u>

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	2022	2021
Items not yet recognized as a component of net periodic pension benefit cost:		
Net actuarial loss	\$ 14,942,056	17,537,487
Net periodic benefit cost:		
Interest cost	\$ 2,555,482	2,398,694
Expected return on plan assets	(4,528,566)	(4,234,034)
Amortization of net actuarial loss	341,497	784,472
Net periodic benefit cost	\$ (1,631,587)	(1,050,868)
	2022	2021
Other changes in plan assets and benefit obligation:		
Net actuarial gain	\$ (2,253,934)	(9,259,911)
Amortization of actuarial net gain	(341,497)	(784,472)
Total other changes in plan assets and benefit obligation	\$ (2,595,431)	(10,044,383)

The assumptions used to determine the benefit obligation in the actuarial valuations at December 31, 2022 and 2021 were as follows:

	2022	2021
Discount rate	4.89 %	2.64 %

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, 2022 and 2021 were as follows:

	2022	2021
Discount rate	2.64 %	2.31 %
Long-term rate of return on plan assets	6.00	6.00

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In October 2020, the Society of Actuaries released new data regarding observed mortality rate improvements (the MP-2021 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2022.

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

2023		\$ 5,829,000
2024		5,844,000
2025		5,822,000
2026		5,845,000
2027		5,819,000
2028–2032		<u>27,977,000</u>
Total		<u>\$ 57,136,000</u>

The minimum required contribution for 2023 under the current funding policy is \$0. Despite that, USCCB is planning to make a payment in 2023.

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, 2022 and 2021 (see note 7):

	2022		
	Level 1	Level 2	Total
Cash equivalents	\$ 2,704,036	—	2,704,036
U.S. government and agency securities	—	—	—
Corporate bonds	21,500,860	—	21,500,860
International equity securities	15,299,646	—	15,299,646
Fixed income funds:			
U.S. government portfolio	3,372,508	3,225,082	6,597,590
Mortgage fund	—	15,512,533	15,512,533
Asset-backed fund	—	133,050	133,050
Receivable for securities sold	—	194,507	194,507
Liability for securities purchased	—	(2,636,341)	(2,636,341)
Total plan assets	<u>\$ 42,877,050</u>	<u>16,428,831</u>	<u>59,305,881</u>

	2021		
	Level 1	Level 2	Total
Cash equivalents	\$ 2,314,343	157,112	2,471,455
U.S. government and agency securities	—	—	—
Corporate bonds	41,583,540	—	41,583,540
International equity securities	11,677,977	—	11,677,977
Fixed income funds:			
U.S. government portfolio	4,259,370	3,567,842	7,827,212
Mortgage fund	—	16,854,207	16,854,207
Asset-backed fund	—	145,482	145,482
Receivable for securities sold	—	2,152,933	2,152,933
Liability for securities purchased	—	(4,305,125)	(4,305,125)
Total plan assets	<u>\$ 59,835,230</u>	<u>18,572,451</u>	<u>78,407,681</u>

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The actual asset allocations for 2022 and 2021 and target allocation ranges by asset category for 2022 and 2021 for the pension plan assets were as follows:

	<u>2022</u>	<u>2021</u>	<u>Target allocation range</u>
Cash and cash equivalents	1 %	1 %	<5%
U.S. equity securities	36	53	29 – 49%
International equity	26	15	15 – 36%
Fixed income securities	37	31	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>2022</u>	<u>2021</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 25,077,983	25,556,567
Service cost	262,355	269,000
Interest cost	705,627	633,989
Medicare Part D benefit subsidy	90,670	85,965
Actuarial gain	(5,044,616)	(303,813)
Benefits paid	(1,325,608)	(1,163,725)
Benefit obligation, end of year – underfunded	<u>\$ 19,766,411</u>	<u>25,077,983</u>

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	2022	2021
Net periodic benefit credit:		
Service cost	\$ 262,355	269,000
Interest cost	705,627	633,989
Amortization of prior service credit	—	(233,267)
Amortization of actuarial net loss	3,852	25,916
Net periodic benefit credit	\$ 971,834	695,638
	2022	2021
Other changes in plan assets and benefit obligation:		
Net actuarial gain	\$ (5,044,616)	(303,813)
Amortization of prior service credit	—	233,267
Amortization of actuarial net loss	(3,852)	(25,916)
Total other changes in plan assets and benefit obligation	\$ (5,048,468)	(96,462)

(a) Actuarial Assumptions

The following assumptions were used in calculating the actuarial valuations at December 31, 2022:

	Benefit obligation	Net periodic benefit cost
Discount rate	4.94 %	2.79 %
Health care cost trend rate – Pre 65	7.29	6.62
Health care cost trend rate – Post 65	7.68	6.59
Ultimate trend rate	4.50	4.50
Year ultimate trend rate is reached - Pre 65 / Post 65	2032/2032	2031/2031

The following assumptions were used in calculating the actuarial valuations at December 31, 2021:

	Benefit obligation	Net periodic benefit cost
Discount rate	2.79 %	2.47 %
Health care cost trend rate – Pre 65	6.33	6.65
Health care cost trend rate – Post 65	6.54	6.79
Ultimate trend rate	4.50	4.50
Year ultimate trend rate is reached – Pre 65 / Post 65	2028/2028	2028/2028

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In October 2019, the Society of Actuaries released new data regarding observed mortality rate improvements (the Pri-2012 Mortality Tables and the MP-2021 Mortality Improvement Scale). The updated mortality tables and the scale were considered by USCCB and adopted as of December 31, 2019.

(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, 2022 and 2021, the following benefits were paid from plan assets:

	<u>2022</u>	<u>2021</u>
Benefits paid	\$ 1,325,608	1,163,725
Employer contribution	1,234,938	1,077,760
Medicare Part D benefit subsidy	90,670	85,965

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>
2023	\$ 1,239,000	121,000	1,118,000
2024	1,308,000	124,000	1,184,000
2025	1,375,000	127,000	1,248,000
2026	1,433,000	131,000	1,302,000
2027	1,486,000	132,000	1,354,000
2028-2032	<u>7,848,000</u>	<u>691,000</u>	<u>7,157,000</u>
Total	<u>\$ 14,689,000</u>	<u>1,326,000</u>	<u>13,363,000</u>

USCCB plans to make a contribution of \$1,118,039 to the postretirement benefit plan in 2023.

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

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As of December 31, 2022, and 2021, the total aggregate payment of multi-year employment contracts consists of the following:

	2022	2021
Contracts extend through	2025	2024
Approximate aggregate payments	\$ 1,061,744	1,155,704

(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, 2022 and 2021, the Conference did not incur expenses related to grant awards.

As of December 31, 2022, and 2021, the Conference did not have balances related to grant awards, due to related parties. In 2022 management changed the methodology and related timing for issuing certain grant awards. As a result, no grant awards were made to CLINIC or CRS in 2022. Those payments will resume in accordance with the new time-table in 2023.

(15) Financial Assets and Liquidity Resources

As of December 31, 2022, and 2021, financial assets and liquidity resources available within one-year for general expenditures, such as operating expenses and internally funded capital improvements were as follows:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 38,961,963	26,088,412
Accounts receivable	32,769,595	36,743,785
Short-term investments	4,301,665	4,294,176
Long-term investments available for current use	47,833,711	52,139,285
Total financial assets available within one year	\$ 123,866,934	119,265,658

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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%. \$1,627,248 appropriations from the quasi-endowment fund will be available within the next 12 months and is included in long-term investments available for current use line item in the above table. The building, general reserve, catechism, and general operating funds of \$46,286,465 are available for general expenditures and the long-term portion \$3,022,838 is included in the long-term investment available for current use line in the above table.

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 balance of \$27,955,917. 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 for the purpose of this presentation. 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.

The following tables presents functional classification of expenses for December 31, 2022 and 2021:

	2022						Total
	Pastoral	Migration and refugee services	Communications, policy and advocacy activities	National collections without fundraising	National collections fundraising	Management and general	
Salaries, taxes and benefits	\$ 5,129,359	8,386,941	11,046,748	1,939,118	475,156	5,234,024	32,211,346
Grants and donations	68,544	148,043	157,064	78,360,483	8,165	224,878	78,967,177
Sub-recipient government contract	—	109,426,678	—	—	—	—	109,426,678
Travel and meetings	1,027,047	1,566,750	824,525	139,988	17,500	828,929	4,404,739
Professional and contract services	1,852,425	4,341,040	2,099,213	414,439	367,229	1,751,287	10,825,633
Depreciation	174,092	177,219	289,308	72,334	—	628,388	1,341,341
Other program and operating expenses	915,656	835,169	3,002,244	229,895	1,906,832	1,316,877	8,206,673
Total operating expenses	\$ <u>9,167,123</u>	<u>124,881,840</u>	<u>17,419,102</u>	<u>81,156,257</u>	<u>2,774,882</u>	<u>9,984,383</u>	<u>245,383,587</u>

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	2021						
	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 \$	5,203,477	7,264,520	9,805,635	1,995,949	417,341	5,551,975	30,238,897
Grants and donations	21,820	123,726	109,648	64,906,554	8,289	116,987	65,287,024
Sub-recipient government contract	—	56,793,840	—	—	—	—	56,793,840
Travel and meetings	268,528	988,151	232,003	26,473	3,801	406,406	1,925,362
Professional and contract services	1,636,924	2,899,587	2,292,272	328,966	344,825	1,406,827	8,909,401
Depreciation	185,948	261,854	395,530	90,945	—	363,966	1,298,243
Other program and operating expenses	539,952	697,853	2,157,910	148,085	1,865,474	1,706,426	7,115,700
Total operating expenses \$	<u>7,856,649</u>	<u>69,029,531</u>	<u>14,992,998</u>	<u>67,496,972</u>	<u>2,639,730</u>	<u>9,552,587</u>	<u>171,568,467</u>

(17) Subsequent Events

Management has performed an evaluation of subsequent events through July 18, 2023, which is the date that the financials are available to be issued. There were no events which affect the financial statements as of December 31, 2022.

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

Year ended December 31, 2022

	Total USCCB funds	USCCB funds excluding MRS & National Collections	MRS	National collections
Revenue:				
Diocesan assessment	\$ 12,352,400	12,352,400	—	—
National collections	103,298,730		—	103,298,730
Grants, bequests, and other	4,914,516	3,162,978	955,925	795,613
Government contracts and grants revenue	122,574,428	138	122,574,290	—
Investment income, net	22,177,599	8,074,660	—	14,102,939
Sale of publications	4,591,134	4,591,134	—	—
Royalty income	2,220,280	2,220,280	—	—
Collection fees on refugee loans	751,889		751,889	—
Contributed services	708,528	708,528	—	—
Other	1,829,683	1,776,039	53,644	—
	<u>275,419,187</u>	<u>32,886,157</u>	<u>124,335,748</u>	<u>118,197,282</u>
Total revenue				
Expenses:				
Grants and donations	78,967,177	461,012	148,043	78,358,122
Sub-recipient government contract expenses	109,426,678	—	109,426,678	—
Salaries, taxes and benefits	32,211,346	21,410,131	8,386,941	2,414,274
Travel and meetings	4,404,739	2,680,743	1,566,508	157,488
Professional and contract services	10,825,633	5,702,925	4,341,040	781,668
Other program and operating expenses, including depreciation	9,548,014	6,566,718	761,045	2,220,251
Interfund charges	—	(3,266,671)	2,766,131	500,540
	<u>245,383,587</u>	<u>33,554,858</u>	<u>127,396,386</u>	<u>84,432,343</u>
Total expenses				
Fund transfers	—	6,867,579	(251,584)	(6,615,995)
	<u>30,035,600</u>	<u>6,198,878</u>	<u>(3,312,222)</u>	<u>27,148,944</u>
Changes in net assets from operations				
Nonoperating activities:				
Unrealized loss on investments	(75,431,742)	(27,464,004)	—	(47,967,738)
Pension related expenses other than net periodic pension cost	7,643,899	7,643,899	—	—
	<u>(67,787,843)</u>	<u>(19,820,105)</u>	<u>—</u>	<u>(47,967,738)</u>
Total nonoperating activities				
Changes in net assets	(37,752,243)	(13,621,227)	(3,312,222)	(20,818,794)
Net assets at the beginning of the year	306,142,606	105,891,453	8,505,093	191,746,060
Net assets at the end of the year	<u>\$ 268,390,363</u>	<u>92,270,226</u>	<u>5,192,871</u>	<u>170,927,266</u>

See accompanying independent auditors' report.

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

Year ended December 31, 2022

	<u>Total Migration and Refugee Services</u>	<u>Government grant/contract activity</u>	<u>Other</u>	<u>RTAP</u>	<u>Funds without donor restrictions</u>
Revenue:					
Grants, bequests, and other	\$ 955,925	955,925	—	—	—
Government contracts and grants revenue	122,574,290	122,387,381	186,556	—	353
Sale of publications	—	—	—	—	—
Collection fees on refugee loans	751,889	—	—	62,615	689,274
Other	53,644	53,644	—	—	—
Total revenue	<u>124,335,748</u>	<u>123,396,950</u>	<u>186,556</u>	<u>62,615</u>	<u>689,627</u>
Expenses:					
Sub-recipient government contract expenses	109,426,678	109,405,572	21,106	—	—
Grants and donations	148,043	147,927	27	—	89
Salaries, taxes, and benefits	8,386,941	7,790,683	145,278	—	450,980
Travel and meetings	1,566,508	1,555,734	2,491	—	8,283
Professional and contract services	4,341,040	4,272,661	18,502	10,474	39,403
Other program and operating expenses, including depreciation	761,045	599,048	9,261	12,343	140,393
Interfund charges	2,766,131	2,747,049	4,139	86	14,857
Total expenses	<u>127,396,386</u>	<u>126,518,674</u>	<u>200,804</u>	<u>22,903</u>	<u>654,005</u>
Fund transfers	<u>(251,584)</u>	<u>(240,956)</u>	<u>4,631</u>	<u>—</u>	<u>(15,259)</u>
Changes in net assets	(3,312,222)	(3,362,680)	(9,617)	39,712	20,363
Net assets at the beginning of the year	<u>8,505,093</u>	<u>(83,118)</u>	<u>1,569,388</u>	<u>(74,720)</u>	<u>7,093,543</u>
Net assets at the end of the year	<u>\$ 5,192,871</u>	<u>(3,445,798)</u>	<u>1,559,771</u>	<u>(35,008)</u>	<u>7,113,906</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
National Collections

Year ended December 31, 2022

	Total National Collections	CRSC	CCHD	CLA	Haiti Earthquake	CCC	CHM	CCEE	SFCA	NRRO	Special collections
Revenue:											
National collection contributions	\$ 103,298,730	17,233,381	8,194,477	6,215,715	4,764	3,438,735	7,865,766	23,354,031	2,244,251	27,605,326	7,142,284
Grants, bequests, and other	795,613	—	226,161	—	—	—	—	250,000	—	319,452	—
Investment income, net	14,102,939	1,620,446	816,636	977,122	812,459	763,167	2,112,760	1,726,209	360,443	4,913,697	—
Other	—	—	—	—	—	—	—	—	—	—	—
Total revenue	118,197,282	18,853,827	9,237,274	7,192,837	817,223	4,201,902	9,978,526	25,330,240	2,604,694	32,838,475	7,142,284
Expenses:											
Grants and donations	78,358,122	—	11,971,000	5,213,083	184,000	864,200	9,761,689	8,513,509	2,654,141	30,715,391	8,481,109
Salaries, taxes and benefits	2,414,274	53,469	60,987	521,218	165	40,639	472,663	449,184	344,182	471,767	—
Travel and meetings	157,488	1,165	1,550	30,132	139	795	18,052	46,924	36,942	21,789	—
Professional and contract services	781,668	7,412	33,477	38,173	87,857	6,002	40,766	29,221	96,338	442,422	—
Other program and operating expenses including depreciation	2,220,251	272,499	439,065	178,665	10	203,174	234,106	204,541	102,827	535,364	50,000
Interfund charges	500,540	—	—	84,662	—	—	90,847	82,374	77,305	165,352	—
Total expenses	84,432,343	334,545	12,506,079	6,065,933	272,171	1,114,810	10,618,123	9,325,753	3,311,735	32,352,085	8,531,109
Fund transfers	(6,615,995)	(820,380)	(2,517,344)	(451,835)	—	(2,777,954)	(47,935)	(959)	(2,048)	2,460	—
Changes in net assets from operations	27,148,944	17,698,902	(5,786,149)	675,069	545,052	309,138	(687,532)	16,003,528	(709,089)	488,850	(1,388,825)
Nonoperating activities:											
Unrealized loss on investments	(47,967,738)	(5,511,556)	(2,777,589)	(3,323,443)	(2,763,384)	(2,595,727)	(7,186,041)	(5,871,284)	(1,225,960)	(16,712,754)	—
Changes in net assets	(20,818,794)	12,187,346	(8,563,738)	(2,648,374)	(2,218,332)	(2,286,589)	(7,873,573)	10,132,244	(1,935,049)	(16,223,904)	(1,388,825)
Net assets at the beginning of the year	191,746,060	13,880,864	17,014,894	11,271,094	8,012,919	9,186,440	18,872,747	10,671,205	4,801,373	83,370,129	14,664,395
Net assets at the end of the year	\$ 170,927,266	26,068,210	8,451,156	8,622,720	5,794,587	6,899,851	10,999,174	20,803,449	2,866,324	67,146,225	13,275,570

See accompanying independent auditors' report.