Catholic Relief Services –
United States Conference
Of Catholic Bishops

Financial Report
September 30, 2013

Contents

McGladrey

Independent Auditor's Report

To the Board of Directors
Catholic Relief Services –
United States Conference of Catholic Bishops
Baltimore, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of Catholic Relief Services – United States Conference of Catholic Bishops which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Catholic Relief Services – United States Conference of Catholic Bishops as of September 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Gaithersburg, Maryland
April 2, 2014

Catholic Relief Services – United States Conference Of Catholic Bishops

Statement Of Financial Position
September 30, 2013
(In Thousands)

Assets	
Cash And Cash Equivalents	$ 92,786
Accounts Receivable And Other Assets	67,749
Investments	163,557
Segregated Investments	48,919
Undistributed Commodities	36,533
Land, Building And Equipment, net	50,268
Total assets	$ 459,812
Liabilities And Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 64,149
Retirement plan liabilities	26,640
Advances received for programs	84,453
Deferred revenue – commodities	34,869
Annuities payable	36,902
Long-term debt	28,551
Total liabilities	275,564
Net Assets	
Unrestricted	87,763
Temporarily restricted	90,027
Permanently restricted	6,458
Total net assets	184,248
Total liabilities and net assets	$ 459,812

See Notes To Financial Statements.

Catholic Relief Services – United States Conference Of Catholic Bishops

Statement Of Activities
Year Ended September 30, 2013
(In Thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenue:				
Private revenue:				
Catholic Relief Services collection	$ 12,436	$ -	$ -	$ 12,436
Catholic Relief Services Rice Bowl	-	7,549	-	7,549
Private contributions	78,073	22,451	-	100,524
Foundation and other private grants	29,383	-	-	29,383
Bequests	23,309	-	-	23,309
Private in-kind gifts	2,752	-	-	2,752
Total private revenue	145,953	30,000	-	175,953
Public revenue:				
Donated agricultural and other commodities, and ocean freight	125,850	-	-	125,850
United States government grants and agreements	229,335	-	-	229,335
Other public grants and contributions	69,934	343	-	70,277
Public in-kind gifts	2,507	-	-	2,507
Total public revenue	427,626	343	-	427,969
Investment and other income	761	1,319	-	2,080
Net assets released from restrictions	56,779	(56,779)	-	-
Total operating revenue	631,119	(25,117)	-	606,002
Operating expenses:				
Program services	584,773	-	-	584,773
Supporting services:				
Management and general	20,078	-	-	20,078
Public awareness	6,980	-	-	6,980
Fundraising	20,695	-	-	20,695
Total supporting services	47,753	-	-	47,753
Total operating expenses	632,526	-	-	632,526
Change in net assets from operations	(1,407)	(25,117)	-	(26,524)
Non-operating revenue and expenses:				
Endowments	-	-	4	4
Net change in annuities, trusts and pooled income fund	1,033	419	46	1,498
Realized and unrealized gain (loss) on investments and financial instruments	13,867	(195)	-	13,672
Pension and post-retirement plans adjustment	31,926	-	-	31,926
Total non-operating revenue and expenses, net	46,826	224	50	47,100
Change in net assets	45,419	(24,893)	50	20,576
Net assets, beginning of year	42,344	114,920	6,408	163,672
Net assets, end of year	$ 87,763	$ 90,027	$ 6,458	$ 184,248

See Notes To Financial Statements.

Catholic Relief Services – United States Conference Of Catholic Bishops

Statement Of Cash Flows
Year Ended September 30, 2013
(In Thousands)

Cash Flows From Operating Activities		
Change in net assets	$	20,576
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		8,518
Loss on disposal of land, building and equipment		786
Realized gain on sales of investments		(1,893)
Unrealized gain on investments and financial instruments		(11,779)
Contributions restricted for long-term investment		(4)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable and other assets		(12,139)
Undistributed commodities		16,235
Increase (decrease) in:		
Accounts payable and accrued expenses		(3,141)
Retirement plan liabilities		(36,331)
Advances received for programs		40,047
Deferred revenue – commodities		(17,899)
Net cash provided by operating activities		2,976
Cash Flows From Investing Activities		
Proceeds from sale of land, building and equipment		495
Purchase of land, building and equipment		(7,640)
Proceeds from sales and maturities of investments		205,639
Purchase of investments		(185,608)
Net cash provided by investing activities		12,886
Cash Flows From Financing Activities		
Principal payments and liquidations of long-term debt		(721)
Increase in annuities payable, net		454
Contributions restricted for long-term investment		4
Net cash used in financing activities		(263)
Net increase in cash and cash equivalents		15,599
Cash And Cash Equivalents:		
Beginning of year		77,187
End of year	$	92,786
Supplemental Disclosure Of Cash Flow Information		
Cash payments for interest	$	828

See Notes To Financial Statements.

Catholic Relief Services – United States Conference Of Catholic Bishops

Statement Of Functional Expenses
Year Ended September 30, 2013
(In Thousands)

	Program Services									
Description	Agriculture	Water And Sanitation	Education	Emergency	Small Enterprise	Health	HIV And AIDS	Peace And Justice	Welfare	Total
Program services:										
Salaries and related benefits	$ 43,369	$ 4,535	$ 11,821	$ 39,034	$ 1,904	$ 18,035	$ 15,065	$ 9,698	$ 1,913	$ 145,374
Contracting and professional fees	4,454	657	1,197	6,916	131	3,168	665	1,423	551	19,162
Telecommunications and postage	2,426	119	522	1,321	35	722	506	222	69	5,942
Printing, supplies, office and miscellaneous expenses	1,540	131	551	1,377	39	876	737	430	92	5,773
Occupancy	2,071	541	1,282	3,036	276	1,698	1,150	1,161	73	11,288
Vehicle and equipment	4,234	658	1,350	3,040	134	2,264	1,051	819	77	13,627
Travel, training and representation	8,738	675	2,473	5,425	551	4,414	3,632	2,446	317	28,671
Warehousing and freight	16,060	287	6,505	15,557	748	7,467	46	372	792	47,834
Publicity	40	-	4	30	-	12	-	-	1	87
Subgrants to implementing partners	43,072	6,914	12,834	69,674	1,486	36,002	26,299	11,531	2,438	210,250
Food, other commodities and in-kind contributions	15,857	628	7,314	49,469	1,046	13,033	1,049	665	1,728	90,789
Depreciation	2,472	-	573	547	197	1,143	1,021	-	23	5,976
Total expenses	$ 144,333	$ 15,145	$ 46,426	$ 195,426	$ 6,547	$ 88,834	$ 51,221	$ 28,767	$ 8,074	$ 584,773

(Continued)

Catholic Relief Services – United States Conference Of Catholic Bishops

Statement Of Functional Expenses (Continued)
Year Ended September 30, 2013
(In Thousands)

	Supporting Services				
Description	Management And General	Public Awareness	Fundraising	Total Supporting Services	Total Operating Expenses
Supporting services:					
Salaries and related benefits	$ 12,143	$ 3,003	$ 6,573	$ 21,719	$ 167,093
Contracting and professional fees	2,844	517	3,986	7,347	26,509
Telecommunications and postage	310	35	4,150	4,495	10,437
Printing, supplies, office and miscellaneous expenses	496	138	4,954	5,588	11,361
Occupancy	310	271	439	1,020	12,308
Vehicle and equipment	93	45	30	168	13,795
Travel, training and representation	1,223	131	473	1,827	30,498
Warehousing and freight	-	-	8	8	47,842
Publicity	3	851	82	936	1,023
Subgrants to implementing partners	13	1	-	14	210,264
Food, other commodities and in-kind contributions	104	1,985	-	2,089	92,878
Depreciation	2,539	3	-	2,542	8,518
Total expenses	$ 20,078	$ 6,980	$ 20,695	$ 47,753	$ 632,526

See Notes To Financial Statements.

Note 1. Organization And Operations

Nature of activities: Catholic Relief Services – United States Conference of Catholic Bishops (CRS) was founded in 1943 and is the international humanitarian aid and development agency of the United States Conference of Catholic Bishops (USCCB). CRS is governed by a board composed of a Cardinal and 13 U.S. Bishops elected from the USCCB, the General Secretary of the Conference, and one religious and six lay members. Headquartered in Baltimore, Maryland, CRS provides services in approximately 94 countries through approximately 69 offices around the world.

CRS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is an organization listed in the 2013 edition of the Official Catholic Directory.

CRS has a wholly owned subsidiary, Catholic Relief Services Foundation, Inc. (the Foundation) which conducts certain fundraising activities on behalf of CRS. The Chairman and President of CRS serve, along with other elected individuals, as members of the board of the Foundation. There was no financial activity within the Foundation for the year ended September 30, 2013.

Mission statement: "Catholic Relief Services carries out the commitment of the Bishops of the United States to assist the poor and vulnerable overseas. We are motivated by the Gospel of Jesus Christ to cherish, preserve and uphold the sacredness and dignity of all human life, foster charity and justice, and embody Catholic social and moral teaching as we act to:

- Promote human development by responding to major emergencies, fighting disease and poverty, and nurturing peaceful and just societies.
- Serve Catholics in the United States as they live their faith in solidarity with their brothers and sisters around the world.

As part of the universal mission of the Catholic Church, we work with local, national and international Catholic institutions and structures, as well as other organizations, to assist people on the basis of need, not creed, race or nationality."

Program services: The program categories that CRS uses to classify its program service operating expenses include:

Agriculture – programs covering a wide range of agricultural and natural resource activities, including crop, tree and livestock production, soil and water conservation, irrigation, weed, disease and pest control, crop processing and storage, crop and livestock marketing, etc.

Water and Sanitation – programs primarily focusing on water, sanitation and hygiene services for health and well-being; improved management of water for agricultural productivity; and water and environmental activities that contribute to sustainability of natural resources.

Education – programs intended to improve access to and delivery of basic literacy, numeracy and other life skills through both formal and non-formal education systems, and to enhance educational achievement.

Emergency – programs seeking to prevent loss of life, minimize suffering, reduce property damage, speed recovery, reduce vulnerability, and otherwise better cope with natural or man-made disasters, while fostering a culture of peace, dignity and respect.

Small enterprise – programs to develop lending and savings services for the self-employed poor who have no access to capital in the formal financial markets.

Health – programs targeted toward problem recognition, evaluation, and intervention in the prevention of somatic illness, disease and death among populations living in poverty.

Note 1. Organization And Operations (Continued)

HIV and AIDS – programs that assist the poor and vulnerable living with HIV through care and support, awareness and prevention, treatment of opportunistic infections, and provision of anti-retroviral drugs, prolonging the lives of many, and enabling all participants to live in dignity.

Peace and justice – programs to prevent, mitigate, or resolve conflict and promote responsibility and right relationships between parties at the individual, community, regional or national levels, including focus upon the strengthening of the institutions of civil society.

Welfare – programs to respond to the urgent and unmet needs of the poorest of society, including the provision of food and complementary assistance, enabling participants to reach their full human potential.

Note 2. Summary Of Significant Accounting Policies

Basis of accounting: The financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States and include the results of CRS' worldwide operations. Revenue and expenses related to gift annuities and other planned giving contributions, realized and unrealized gains and losses on investments, defined benefit plan adjustments and permanently restricted contributions are classified as non-operating activities.

Use of estimates: The preparation of the financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Designation of revenue: Support from the U.S. or foreign governments and from international organizations such as the United Nations, The Global Fund and The World Bank, is classified under public revenue. Revenue from individuals, parishes and dioceses, as well as non-governmental organizations, foundations and corporations is classified under private revenue.

Classification of net assets: Net assets, revenue and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CRS and changes therein are classified and recorded as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets whose use has been limited by donors to a specific time period and/or purpose. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – The principal amounts of gifts which are required by donors to be permanently retained.

Cash and cash equivalents: Cash includes demand and time deposits. Cash equivalents include highly liquid investments having a maturity date of three months or less at the date of purchase.

Note 2. Summary Of Significant Accounting Policies (Continued)

Accounts receivable and other assets: Accounts receivable and other assets consist of trade receivables, program receivables, CRS collection receivable, micro-finance loans and charitable trusts. Interest is charged for micro-finance loans at various rates determined by management, based on prevailing local country economic conditions. Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts, considering the debtor's financial condition and current economic conditions, and by using historical experience applied to an aging of the trade receivables. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Trade and micro-finance receivables are considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is accrued on micro-finance receivables until the receivables are deemed uncollectible.

Program receivables represent funds expended and recognized as revenue, but not yet received, on donor agreements for exchange transactions (grants).

Charitable trusts represent the fair value, using present value calculations, of CRS' interest in the donor's trust accounts. These trusts are created by donors independently of CRS and are neither in the possession nor under the control of CRS. The trusts are administered by outside fiscal agents as designated by the donor. CRS records the fair value, using present value of future benefits of the trust assets, discounted at a rate of 6.5% for 2013.

CRS is also the owner and beneficiary of donated life insurance policies. These life insurance policies are recorded at current cash surrender value. The charitable trusts and life insurance policies are recognized as revenue when CRS is notified that it has been named as an irrevocable beneficiary.

CRS collection receivable represents the portion of annual contribution from USCCB not yet received.

Investments: Investments and segregated investments are carried at fair value. Investments received as contributions are recorded at fair value on the date of receipt. Investment income is recognized when earned.

CRS' non-segregated investments include investment pools which are valued at fair value based on the applicable percentage ownership of the underlying pools' net assets as of the measurement date.

In determining fair value, CRS utilizes valuations provided by the investments' fund managers. The managers value securities and other financial instruments on a fair value basis of accounting. The fair value of CRS' investments generally represents the amount CRS would expect to receive if it were to liquidate its investment. However, the estimated fair values of the assets underlying this investment may include securities for which prices are not readily available and are determined by the fund managers and, therefore, may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ from the values that would have been used had a ready market existed for these investments. CRS may adjust the respective managers' valuations when circumstances support such an adjustment.

Land, building and equipment: Land, building and equipment are capitalized and depreciated on a straight-line basis over the estimated useful lives of the respective assets, which are 10 to 40 years for building and improvements, and 3 to 10 years for furniture, vehicles and equipment.

Advances received for programs: Funds received on exchange transactions (grants) are recorded as advance obligations to the funding entity until they are spent per the program agreement, at which time they are recognized as revenue.

Note 2. Summary Of Significant Accounting Policies (Continued)

Fair value of financial instruments: Cash, cash equivalents, short-term investments, accounts receivable, accounts payable, advances received for programs and deferred revenue have carrying amounts that approximate fair value because of the short maturity of these instruments.

Annuities payable: Annuities payable represent the actuarial present value of amounts due under annuity agreements paid over various periods, generally the life of the donor. Present value is calculated using the Annuity 2000 Mortality table with no adjustments, assuming an interest rate of 3.5% to 6% compounded annually, and no provision for a surplus or contingency reserve. The interest rate is determined by the year of contribution and the guaranteed duration period, if any.

Interest rate swap agreements: CRS uses interest rate swap contracts principally to manage the risk that changes in interest rates have on its floating rate long-term debt. The following is a summary of CRS' risk management strategy and the effect of this strategy on the financial statements.

Interest rate swap contracts are used to adjust a portion of total debt that is subject to variable interest rates. Under the interest rate swap contract, CRS agrees to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable rate of interest times the same notional principal amount. No other cash payments are made unless the contract is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

CRS' interest rate swap contracts are considered to be a hedge against changes in the amount of future cash flows associated with CRS' interest payments under variable rate debt obligations. Accordingly, the interest rate swap contracts are reflected at fair value, as described in Note 9, in CRS's statement of financial position and the related gain or loss on these contracts is recognized in the statement of activities.

The effect of this accounting on CRS' operating results is that interest expense on the portion of variable rate debt being hedged is generally recorded based on fixed interest rates.

The fair value of interest rate swaps is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreements at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counter parties.

Valuation of long-lived assets: CRS requires that long-lived assets and certain identifiable assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Revenue recognition: Private revenue, including unconditional promises to give (pledges), is recognized as revenue in the year received. Grant revenue is generally recognized when allowable expenses satisfying the purpose of the grant activity are incurred.

Private revenue: All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note 2. Summary Of Significant Accounting Policies (Continued)

Donated agricultural commodities and other in-kind gifts: CRS receives agricultural and other commodities at no cost from the United States Agency for International Development (USAID), the United States Department of Agriculture (USDA), the United Nations World Food Programme, and others for distribution under agreements related to specific relief programs. Commodities that have not been distributed at September 30, 2013, are carried as undistributed commodities and deferred revenue.

Commodities received from the United States government are valued using guidelines published by the Commodity Credit Corporation (an agency of the United States government). Commodity donations from other donors are recorded at their insurable value, which approximates market value. CRS also receives contributions of pharmaceuticals for distribution overseas. Some of these pharmaceuticals are from United States producers and are approved by the United States Food and Drug Administration (FDA) for use in the United States. Some are from manufacturers in other countries for HIV/AIDS anti-retroviral therapies approved by the FDA, but are not approved for use in the United States.

In determining the fair value for these pharmaceuticals, management has concluded that the geographical areas where these are distributed do not represent their principal market and therefore considers the most advantageous market to be the United States for those approved for use in the United States, and for those from foreign manufacturers, the most advantageous market is the foreign country in which they were produced. Therefore, those approved for use in the United States are recorded at the wholesale value as indicated in recognized industry publications. Those produced by foreign manufacturers are valued at the wholesale value negotiated with those producers in the country of origin. Other in-kind contributions are recorded at fair value.

Other government funding and exchange transactions: Revenue related to government grants and other exchange transactions is recognized when funds are utilized by CRS to carry out the activity stipulated by the grant or contract, since such contracts can be terminated by the grantor, or refunding can be required under certain circumstances. Accordingly, amounts received, but not recognized as revenue, are classified in the statement of financial position as advances received for programs.

Functional allocation of expenses: The costs of providing CRS' various programs and support services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and support services primarily based upon direct costs.

Joint costs: Expenses related to the Catholic Relief Services Rice Bowl program jointly support fundraising and educational and other programming. These expenses totaled $1,405,000 for the year ended September 30, 2013. Expenses were allocated 21% to fundraising and 79% to program services for fiscal year 2013.

Self-insured medical plan: Under the CRS plan, medical insurance coverage is obtained for each employee so that exposure to excessive medical expenses is capped in conjunction with certain stop loss provisions. Provisions for expenses expected under this program are recorded based upon CRS' estimates of the aggregate liability for claims incurred.

Income taxes: CRS is generally exempt from federal income taxes under IRC §501(c)(3). In addition, contributions to CRS qualify for charitable deductions under Section 170(b)(1)(A)(vi). CRS has been classified as an organization that is not a private foundation under Section 509(a)(1). Income which is not related to exempt purposes, less applicable deductions, may be subject to federal and state corporate income taxes. For the year ended September 30, 2013, CRS has concluded it has no such unrelated business income.

Note 2. Summary Of Significant Accounting Policies (Continued)

CRS has adopted the standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this policy, CRS may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position would be sustained on examination by taxing authorities, based on the technical merits of the position.

Management evaluated CRS' tax positions and concluded that CRS had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provision of this guidance. CRS would be liable for income taxes in the U.S. federal jurisdiction.

Subsequent event policy: CRS has established a general standard of accounting for the disclosure of events that occur after the statement of financial position date through the date the financial statements are issued. CRS evaluated subsequent events through April 2, 2014, which is the date the financial statements were issued.

Note 3. Concentration Of Credit Risk

Cash and cash equivalents include demand deposits which are maintained at various financial institutions in the United States and foreign countries. The total deposits at institutions in the United States exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. Deposits held at institutions outside of the United States are not subject to insurance. At September 30, 2013, $92,306,000 of deposits were in excess of FDIC insurance including $31,409,000 held in numerous financial institutions outside of the United States. Short-term operating investments of $4,941,000 were also held in numerous financial institutions outside of the United States at September 30, 2013.

CRS invests in a professionally managed portfolio that contains shares of U.S. Treasury securities, equity securities and corporate and other private debt securities. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Note 4. Accounts Receivable And Other Assets

Accounts receivable include loans made by CRS for micro-finance programming, which provide credit to the working poor, and encompass both loans direct to the final borrower as well as loans to local partners who operate these programs. In some instances, CRS may contribute loan balances to local partners. At September 30, 2013, accounts receivable and other assets consist of the following (in thousands):

Program receivables	$	35,329
Trade receivables		13,490
Charitable trust and life insurance policy receivables		6,337
CRS collection receivable		4,312
Micro-finance loans receivable		2,166
Total accounts receivable		61,634
Less: Allowance for doubtful accounts		(2,673)
Total accounts receivable, net		58,961
Prepaid expenses		8,121
Other assets		667
Total accounts receivable and other assets	$	67,749

Note 5. Investments And Fair Value Measurements

CRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and within a fair value hierarchy. The fair value hierarchy gives the highest rank to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest rank to unobservable inputs (Level 3). Inputs are broadly defined as data that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Listed equities and holdings in mutual funds are types of investments included in Level 1.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 2 includes the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain corporate bonds, U.S. government bonds and notes, and over-the-counter derivatives.

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. CRS' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by CRS:

Level 1 – Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Level 2 – Investments in U.S. treasury securities, U.S. government agency bonds, mortgage backed securities, asset backed securities, and corporate, foreign and other obligations are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 2 in the fair value hierarchy. Investments in international equities represent an investment pool, for which the fair value has been estimated by the investment managers using the net asset value per share. The pool has monthly liquidity and is open on the first business day of the month; five days advance notice is required before any distributions. CRS has classified these investments as Level 2. CRS' interest rate swap is observable at commonly quoted intervals for the full term of the swap and, therefore, is considered a Level 2 item. For the interest rate swaps in an asset position, the credit standing of the counter party is analyzed and factored into the fair value measurement of the asset. Fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of CRS' credit worthiness has also been factored into the fair value measurement for the interest rate swap in a liability position.

Level 3 – Charitable trusts are stated at fair value, using present value calculations of the trusts discounted at a rate of 6.5% for 2013. There is no active market for selling beneficial interests in charitable trusts; therefore, these financial instruments are classified as Level 3 in the fair value hierarchy.

Note 5. Investments And Fair Value Measurements (Continued)

The overall total of investments held at September 30, 2013, including securities detailed in the fair value disclosure, is as follows below (in thousands):

Non-segregated investments		$ 163,557
Segregated gift annuities	$ 47,210	
Segregated pooled income fund	1,709	
Total segregated investments		48,919
Total investments		212,476
Accrued interest and cash equivalents		(969)
Investments included in fair value disclosure		$ 211,507

The following table presents CRS' fair value hierarchy for those assets reflected in the statement of financial position, measured at fair value on a recurring basis as of September 30, 2013 (in thousands):

		Fair Value Measurements Using		
Description	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
U.S. equities:				
Materials	$ 2,067	$ 2,067	$ -	$ -
Industrials	7,278	7,278	-	-
Telecommunications	1,510	1,510	-	-
Consumer discretionary	9,474	9,474	-	-
Consumer staples	7,285	7,285	-	-
Energy	7,748	7,748	-	-
Financials	13,686	13,686	-	-
Health care	7,994	7,994	-	-
Information technology	11,370	11,370	-	-
Utilities	2,363	2,363	-	-
Other equities	129	129	-	-
International equities	15,322	-	15,322	-
Fixed income securities:				
U.S. treasury obligations	37,197	-	37,197	-
U.S. government agency bonds	27,845	-	27,845	-
Mortgage backed securities	12,875	-	12,875	-
Asset backed securities	12,104	-	12,104	-
Corporate, foreign and other obligations	30,319	-	30,319	-
Other types of securities:				
Overseas investments	4,941	-	4,941	-
Total investments	$ 211,507	$ 70,904	$ 140,603	$ -
Charitable trusts	$ 5,597	$ -	$ -	$ 5,597
Financial liabilities:				
Interest rate swap contracts	$ (3,305)	$ -	$ (3,305)	$ -

Note 5. Investments And Fair Value Measurements (Continued)

Cash, cash equivalents, and accrued interest are excluded from the fair value hierarchy as cash is generally measured at cost. As such, $768,000 at September 30, 2013, has been excluded from this table.

For the period from October 1, 2012, through September 30, 2013, the application of the valuation techniques applied to similar assets and liabilities has been consistent for CRS' held investments. The valuation technique for charitable trust assets held by others has been revised to conform to the modifications of Accounting Standards Update Number 2011-04 *Fair Value Measurement* (Topic 820). Changes in Level 3 assets for the year ended September 30, 2013, was as follows (in thousands):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Charitable Trusts
Beginning balance, October 1,	$ 11,744
Contributions	126
Distributions	(7,032)
Change in valuation	759
Ending balance, September 30, 2013	$ 5,597

CRS invests in investment pools for which the total investment includes both CRS' investment and pension plan portfolios. Information pertaining to this investment is as follows (in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Long-term international value and growth fund	$ 23,017	$ -	Monthly	5 days

The above fund includes investment pools that seek long term capital appreciation through two investment portfolios. The Value Fund invests in non-U.S. stocks of low valuation which the manager believes have the capacity to rebound in value, while the Growth Fund invests in non-U.S. stocks at a higher price-to-earnings ratio which the manager believes have strong prospects for continued growth.

Note 6. Segregated Investments

CRS is required under various statutory regulations to segregate a certain level of appropriate investments to support its charitable gift annuity program. In addition, CRS sponsors a pooled income fund wherein the fund's earnings are distributed to participants until their death, at which time the assets become available to CRS.

During the year ended September 30, 2013, CRS received $3,515,000 of new charitable gift annuities and pooled income fund contributions, earned net investment income of $1,263,000, and made contractual annuity payments of $4,231,000.

During the years ended September 30, 2013, the pooled income fund made earnings distributions to participants of $130,000.

Note 6. Segregated Investments (Continued)

Revenue from annuity contracts, irrevocable charitable trusts, and the pooled income fund (planned giving agreements) is recognized based on the present value of CRS' interest.

Note 7. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates in effect on reporting dates, and revenue and expenses are translated at rates in effect on transaction dates. Transaction and translation gains and losses are included in current results. The resulting foreign currency translation gain of $1,148,000 for the year ended September 30, 2013, is included in printing, supplies and other office expenses and investment income on the statement of activities.

Note 8. Land, Building And Equipment

Land, building and equipment, at cost, at September 30, 2013, is summarized as follows (in thousands):

Land	$	463
Building and improvements		38,107
Furniture and equipment		71,366
		109,936
Less accumulated depreciation and amortization		(59,668)
	$	50,268

Land, building and equipment includes restricted and grant assets of $2,787,000 at September 30, 2013. Of these assets, $2,632,000 at September 30, 2013, is restricted in compliance with federal program grant agreements as to use, resale and maintenance.

CRS entered into a capital lease agreement for its headquarters building in Baltimore, Maryland in 2006. The lease is for an initial term of 30 years ending in 2036, with three 5-year renewal options. The minimum lease payment under this agreement of $13,465,000 was paid in full on the rent commencement date. Minimum rent for the renewal periods will be determined on the basis of 90% of the then fair market rental for the first renewal year, with subsequent years' rent increasing based on the Consumer Price Index.

Land, building and equipment at September 30, 2013, includes $28,040,000 for leasehold improvements, capitalized lease and other costs expended, including capitalized interest of $1,232,000 for the headquarters.

CRS has operating lease commitments for its offices maintained throughout the world. These leases are generally renewable on an annual basis. CRS has also entered into operating leases in the United States for office space for periods ranging from three to five years for its U.S. Operations. Rental expense for the year ended September 30, 2013, was $4,209,000.

Note 8. Land, Building And Equipment (Continued)

Minimum annual lease payments on operating leases are as follows (in thousands):

Years Ending September 30,		
2014	$	239
2015		206
2016		113
2017		35
2018		12
	$	605

Note 9. Long-Term Debt

To finance the capital lease obligation for its headquarters building, CRS has an outstanding term loan with Bank of America in the amount of $8,996,000 at September 30, 2013. The loan matures on May 1, 2016, if the loan is not in default. Interest accrues, and is payable monthly, at a rate based on the one-month London Interbank Offered Rate (LIBOR) plus .30% per year (0.48% at September 30, 2013).

CRS has issued tax-exempt variable rate demand bonds in the amount of $19,555,000 in connection with renovations of the headquarters space. The bonds bear interest at a floating rate (0.20% at September 30, 2013) as determined by the bond remarketing agent based upon market conditions, unless converted to a fixed rate at the election of the borrower. Principal payments on the bonds begin in May 2023 and continue until final maturity in May 2036. A credit enhancement provided by Bank of America was used to obtain a credit rating on the bonds at issuance on May 18, 2006, of Aa1/VMIG 1. This rating has been revised several times, and, as of September 30, 2013, was A3/VMIG 2. On November 14, 2013, the bonds were upgraded to A2/VMIG 1.

The bond agreement contains certain financial and non-financial covenants, which were met for the year ended September 30, 2013.

The bonds are collateralized by an irrevocable letter of credit in the amount of $19,742,514. The letter of credit was extended until June 15, 2016.

CRS entered into interest rate swap agreements to reduce the impact of interest rate changes on its floating rate term loan and tax-exempt bonds. One swap agreement has a notional principal amount at September 30, 2013, of $1,628,000 of the taxable term loan, at a fixed rate of 4.96%, through October 1, 2015. A second agreement was executed with a notional principal in the amount of $19,145,000 for the tax-exempt variable rate demand bonds. The contract is based on an issue rate of 67% of LIBOR, and fixes the interest rate at 3.40%, through May 1, 2036.

The value of the swap instruments as of September 30, 2013, and the change in value is reflected as follows (in thousands):

Beginning liability balance, October 1	$	5,720
Unrealized gain		(2,415)
Ending liability balance, September 30	$	3,305

Note 9. Long-Term Debt (Continued)

The swap instrument values are included in accounts payable and accrued expenses on the statement of financial position. The annual changes in the values of the swap instruments are included in the realized and unrealized gains and losses on investments and other financial instruments on the statement of activities.

As noted in Note 8, Interest due on the term loan and the bonds in connection with the headquarters building was capitalized while the space was under renovation and unoccupied.

Future annual maturities on long-term debt as of September 30, 2013, are as follows (in thousands):

Years Ending September 30,		
2014	$	756
2015		793
2016		834
2017		878
2018		921
2019 – 2036		24,369
	$	28,551

Note 10. Commodities And Other In-Kind Contributions

Commodities and other in-kind contributions for the year ended September 30, 2013, consist of the following (in thousands):

Agricultural commodities donated by USAID and USDA	$	75,905
Commodities and other in-kind contributions provided by the UN and other donors		10,288
Ocean freight provided by donors		39,657
Total commodities and ocean freight	$	125,850
Medical supplies and other tangible assets	$	3,161
Donated services		2,098
Total other in-kind contributions	$	5,259

Note 11. Investment Earnings

The components of return on investments described in Note 5, as well as earnings on micro-finance lending, cash equivalents and segregated investments for the year ended September 30, 2013, are as follows (in thousands):

Dividends and interest	$	3,190
Realized gain on investments		1,893
Unrealized gain on investments		9,365
Investment management fees		(939)
	$	13,509

Note 12. Retirement Plans

CRS has a non-contributory defined benefit pension plan covering all lay employees who have completed one year of service and attained the age of 21. The benefits are based on years of service and the employee's highest average compensation during five consecutive years of the last ten years of service.

CRS also sponsors a post-retirement health plan for employees who retire after the age of 65 with at least 20 years of service. CRS funds retiree healthcare premiums on a cash basis, and for the year ended September 30, 2013, paid $332,000 for retirees' healthcare coverage. The expected contribution for the year ending September 30, 2014, is $295,000.

On March 14, 2013, the Board of Directors approved a proposal to freeze the defined benefit pension plan, and modify the post-retirement health plan, effective December 31, 2013. The post-retirement health plan subsidy will be discontinued to any new beneficiaries after qualifying retirements as of December 31, 2013. Curtailment gains for both plans of $31,454,000 are recognized as of September 30, 2013. In lieu of the continuation of the defined benefit pension, the Board of Directors approved substantial enhancements to the defined contribution plan, as noted below, effective January 1, 2014.

Note 12. Retirement Plans (Continued)

The following schedule sets forth the funded status, components of net periodic benefit cost and weighted-average assumptions of the plans for the year ended September 30, 2013 (in thousands):

	Pension Benefits	Post-Retirement Health
Change in projected benefit obligation		
Benefit obligation at beginning of period	$ 87,647	$ 15,403
Service cost	6,185	808
Interest cost	3,570	523
Curtailment gain	(17,785)	(13,669)
Actuarial gain	(4,590)	(156)
Plan participant contributions	-	43
Special termination benefits	-	1,039
Benefits paid	(1,733)	(375)
Benefit obligation at end of period	$ 73,294	$ 3,616
Change in plan assets		
Fair value of plan assets at beginning of period	$ 40,079	$ -
Actual return on plan assets	6,244	-
Employer contributions	5,680	332
Plan participant contributions	-	43
Benefits paid	(1,733)	(375)
Fair value of plan assets at end of period	50,270	-
Funded status at end of year	$ (23,024)	$ (3,616)
Amounts recognized in statement of financial position	$ (23,024)	$ (3,616)
Amounts recognized in non-operating revenue and expenses		
Net loss (gain)	$ 1,262	$ (172)
Accrued benefit cost	$ 1,262	$ (172)
Components of net periodic benefit cost		
Service cost	$ 6,185	$ 808
Interest cost	3,570	523
Expected return on plan assets	(2,778)	-
Net amortization and deferral	1,392	216
Curtailment loss (gain)	45	(9,393)
Special termination benefits	-	1,039
Total net periodic benefit cost	$ 8,414	$ (6,807)
Weighted-average assumptions		
Discount rate	4.75%	4.50%
Expected return on plan assets	6.50%	N/A
Rate of compensation increase	3.50%	N/A

Note 12. Retirement Plans (Continued)

The investment objective of the defined benefit plan is to attain an overall return in excess of the actuarially assumed rate, while protecting the plan's principal by managing investment risk. The investment objective also incorporates the financial condition of the plan, future growth of active and retired participants, inflation and the rate of salary increases. CRS' Budget and Finance Committee has selected market-based benchmarks to monitor the performance of the investment strategy and perform periodic review of investment performance.

The investment strategy has a target asset allocation policy as follows:

Asset Class	Minimum	Target	Maximum
U.S. equities	35%	50%	65%
International equities	10%	15%	20%
Fixed income	20%	30%	40%
Real estate	0%	5%	5%

The investment policy requires compliance with applicable state and federal regulations, including the Employee Retirement Income Security Act of 1974 (ERISA). The expected long-term rate of return on plan assets is based primarily on expectations of future returns for the pension plan's investments, based upon the target asset allocations. Additionally, the historical returns on comparable equity and fixed income investments are considered in the estimate of the expected long-term rate of return on plan assets.

Allocation of plan assets at September 30, 2013 (in thousands):

	Amount	Percent
U.S. equity and equivalents	$ 25,649	51%
International equity and equivalents	7,695	15%
Fixed income	16,158	32%
Cash equivalents	768	2%
	$ 50,270	100%

Note 12. Retirement Plans (Continued)

Pension plan assets as of September 30, 2013, not reflected in the statement of financial position, are as follows (in thousands):

		Fair Value Measurements Using		
Description	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment component				
Equities:				
Materials	$ 806	$ 806	$ -	$ -
Industrials	3,115	3,115	-	-
Telecommunications	518	518	-	-
Consumer discretionary	3,389	3,389	-	-
Consumer staples	2,434	2,434	-	-
Energy	2,638	2,638	-	-
Financials	5,606	5,606	-	-
Health care	2,501	2,501	-	-
Information technology	3,628	3,628	-	-
Utilities	970	970	-	-
Miscellaneous	44	44	-	-
International equities	7,695	-	7,695	-
Fixed income securities:				
U.S. treasury obligations	4,266	-	4,267	-
U.S. government agency bonds	4,821	-	4,821	-
Corporate and foreign bonds	7,071	-	7,071	-
Total investments	$ 49,502	$ 25,649	$ 23,854	$ -

Note 12. Retirement Plans (Continued)

The pension plan contribution for the year ending September 30, 2014, is expected to be $6,180,000. The plan's expected payouts for the next five years and the following five years in the aggregate, are as follows (in thousands):

Fiscal Year	Payout
2014	$ 3,007
2015	3,170
2016	3,226
2017	3,035
2018	3,066
2019 – 2023	16,963

The healthcare inflation rate is assumed to be 9.0% for participants under 65 and 6.5% for participants 65 and older for 2013. The health care cost trend rate for the year ended September 30, 2014, is assumed to be 8.0% for individuals under 65 and 6.0% for individuals aged 65 and over. The 5% ultimate rate is projected to be reached by 2016 for individuals under 65 and by 2015 for individuals aged 65 and over. A one percentage point increase in the healthcare inflation rate from the assumed rate could increase the accumulated post-retirement health benefit obligation by approximately $397,000 as of September 30, 2013, and would increase the aggregate of the service cost and interest cost components of net periodic post-retirement health benefit cost for 2013 by approximately $17,000. A one percentage point decrease in the healthcare inflation rate from the assumed rate could decrease the accumulated post-retirement health benefit obligation by approximately $338,000 as of September 30, 2013, and would decrease the aggregate of the service cost and interest components of net periodic post-retirement health benefit cost for 2013 by approximately $14,000. The plan's expected payouts for the next five years and the following five years in the aggregate, are as follows (in thousands):

Fiscal Year	Payout
2014	$ 295
2015	264
2016	242
2017	237
2018	226
2019 – 2023	1,114

CRS also provides eligible employees a defined contribution plan, which qualifies under IRC §403(b). Under the plan, CRS contributes to a participant's account an amount equal to 50% of the participant's contribution, not to exceed 3% of the participant's eligible earnings. CRS also provides an equivalent plan for non-US expatriate staff. The contributions are invested in various mutual funds chosen by the participants. CRS contributed $1,361,000 to these two plans for the year ended September 30, 2013.

Effective January 1, 2014, the defined contribution plan receives additional employer-provided contributions credited to eligible employees, as approved by the Board of Directors. In addition to the matching component noted above, CRS will make a contribution of 7% of wages for eligible employees, and a 3% contribution above that amount for certain lower-waged staff. Also, staff employed on December 31, 2013, who are age 40 or above on that date will receive an additional 1% to 3% contribution, depending upon age.

Note 13. Self-Insured Medical Plan

CRS maintains a self-insured medical plan for the benefit of its employees. A stop loss policy is in effect, which limits CRS' loss per individual employee to $200,000. The medical plan is administered through a contractual relationship with a third party plan administrator. However, CRS is solely responsible for all claims incurred up to the amount of the stop loss provisions. CRS' expense under the self-insured medical plan amounted to $6,227,000 for the year ended September 30, 2013.

Note 14. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2013, are composed of the following (in thousands):

Time restricted:		
Charitable trusts	$	4,050
Pooled income fund		788
Other time restricted funds		717
Total time restricted		5,555
Program restricted:		
Emergencies		56,648
Strategic funding initiatives		1,281
Charitable trusts		405
Caritas Internationalis		5,183
Other		20,955
Total program restricted		84,472
Total temporarily restricted net assets	$	90,027

Net assets were released for the following purposes during 2013 (in thousands):

Program restricted purposes met	$	56,279
Time restrictions met		500
	$	56,779

Permanently restricted net assets represent contributions by donors for which the corpus must be permanently retained. The income derived from these permanently restricted amounts can be used to fund administrative costs and program services.

Note 15. Endowments

Interpretation of relevant law: CRS has interpreted the state of Maryland's April 2009 enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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. As a result of this interpretation, CRS classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets, until those amounts are appropriated for expenditure by CRS in a manner consistent with the standard of prudence prescribed by UPMIFA.

Note 15. Endowments (Continued)

Interpretation of relevant law (continued): In accordance with UPMIFA, CRS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a. The duration and preservation of the fund
b. The purposes of CRS and the donor-restricted endowment fund
c. General economic conditions
d. The possible effects of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of CRS
g. The investment policies of CRS

Return objective and risk parameters: The long-term goal of the Endowment Funds is to achieve appreciation of assets without exposure to undue risk. The portfolio is expected to support desired spending, provide additional growth to cover operating expenses and preserve the purchasing power of the endowment assets over time, net of all fees, over a five-year moving time period.

Spending policy: The current policy is to distribute an amount up to 5% of the average market value of the endowment based on a 12-quarter moving average, adjusted for contributions and distributions.

Endowment Net Asset Composition By Type Of Fund
As Of September 30, 2013 (In Thousands)

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 1,004	$ 1,004
Undesignated – other endowment funds	717	3,505	4,222
Third-party trust assets	-	1,949	1,949
Total funds	$ 717	$ 6,458	$ 7,175

Changes In Endowment Net Assets
For The Year Ended September 30, 2013
(In Thousands)

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of the year	$ 462	$ 6,408	$ 6,870
Net investment income	628	46	674
Contributions	-	4	4
Endowment draw to operating	(373)	-	(373)
Endowment net assets, end of the year	$ 717	$ 6,458	$ 7,175

Note 16. Contingencies

CRS receives significant financial and non-financial assistance from the U.S. government. Entitlement to such resources is generally conditioned upon compliance with terms and conditions of the related agreements and applicable federal regulations. The use of such resources is subject to audit by governmental agencies, and CRS is contingently liable to refund amounts received in excess of allowable expenditures. As of September 30, 2013, CRS has recorded a liability for its estimate of questioned costs that may have to be refunded to the government.

In the normal course of business, CRS is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on CRS' financial position, change in net assets, or cash flow.

Note 17. Haiti Earthquake Response

On January 12, 2010, a catastrophic earthquake struck Haiti. CRS responded to provide emergency relief and is providing long-term recovery and reconstruction assistance. The following is a financial summary of the activity from inception through September 30, 2013 (in thousands):

	Private Contributions	Other Donors, Including U.S. Government	Total
Contributions and grant revenue	$ 128,786	$ 72,553	$ 201,339
Investment income	5,013	2	5,015
Total revenue	133,799	72,555	206,354
Total expenses	(96,477)	(72,555)	(169,032)
Net assets at September 30, 2013	$ 37,322	$ -	$ 37,322

As a part of the response, the United States Conference of Catholic Bishops (USCCB) initiated an appeal to U.S. dioceses for donations to be remitted to CRS. This diocesan response amounted to $84,414,000 through September 30, 2013. In addition to providing emergency relief funding for CRS' response, this appeal also designated a portion specifically for rebuilding of church structures in Haiti. Overall response proceeds include $50,648,000 designated for emergency relief, and $33,766,000 designated for rebuilding of church structures, of which $19,500,000 was disbursed to USCCB through 2013. This latter portion is managed by the USCCB Subcommittee on the Church in Latin America, and the unspent balance, including investment earnings, is reflected as a liability to USCCB in accounts payable and other expenses on the statement of financial position in the amount of $15,299,000 at September 30, 2013.

Note 18. Subsequent Events

On November 8, 2013, the strongest typhoon ever recorded crossed the central Philippines, making six separate landfalls. With its greatest impact on Samar and Leyte islands, Typhoon Haiyan caused over 6,000 deaths, and displaced four million people among the total 14 million impacted. CRS immediately launched a major emergency response in what represents its oldest continuously operating country program. Accessing both private and public resources, CRS focused on providing shelter, water, hygiene, sanitation, and essential living supplies, and programs to support income generation. CRS expects that Haiyan related programming, from response to recovery, will last two to three years.

Note 18. Subsequent Events (Continued)

In late December 2013, CRS South Sudan evacuated all personnel from its offices in the city of Bor, Jonglei State, as a result of unrest which had broken out in mid-December. Bor suffered significant damage and looting as a result of the unrest. At September 30, 2013, CRS had a warehouse containing $2,070,000 in food commodities which were reportedly looted, and had $442,000 in vehicles and other equipment in its offices, which would also have been at risk for loss due to looting.