

**Society of the Roman Catholic Church  
of the Diocese of Lafayette, Inc.**

Financial Report

For The Years Ended June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Bishop and the  
Diocesan Finance Board  
Society of the Roman Catholic Church  
of the Diocese of Lafayette, Inc.  
Lafayette, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 27 to the financial statements, the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc. had a prior year restatement. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'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 financial statements as a whole. The accompanying combining statement of financial position and combining statement of activities is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025 on our consideration of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s internal control over financial reporting and compliance.

***KOLDER, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
November 14, 2025

## **FINANCIAL STATEMENTS**

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Statements of Financial Position  
June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash	\$ 38,877	\$ 19,342
Investments	36,674,094	37,169,477
Accounts receivable, net	1,493,350	1,008,024
Other receivables	394,657	9,616
Prepaid expenses	5,804,929	6,430,872
Deposits	301,750	301,750
Notes receivable	1,819,279	1,819,279
Right-of-use assets, net	114,772	179,799
Property and equipment, net	6,908,016	7,309,137
Investments restricted for endowments	<u>17,703,309</u>	<u>17,577,288</u>
 Total assets	 <u>\$ 71,253,033</u>	 <u>\$ 71,824,584</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Cash overdraft	\$ 152,479	\$ 499,605
Accounts payable	284,137	301,926
Accrued compensated absences payable	370,356	346,675
Current portion of lease liability	63,503	65,026
Unearned revenue	14,486	843,787
School state mandated services	1,016,581	1,081,914
Other liabilities	3,906,039	3,642,518
Lease liability	51,270	114,772
Other postretirement benefits payable - lay persons	2,874,982	2,794,500
Other postretirement benefits payable - priests	8,441,819	8,547,667
Unfunded pension liability - priests	<u>2,533,984</u>	<u>3,284,409</u>
 Total liabilities	 <u>19,709,636</u>	 <u>21,522,799</u>
Net assets:		
Without donor restrictions -		
Designated for specific purposes	21,595,789	21,001,680
Undesignated	<u>7,107,363</u>	<u>5,641,983</u>
 Total net assets without donor restrictions	 28,703,152	 26,643,663
With donor restrictions	<u>22,840,245</u>	<u>23,658,122</u>
 Total net assets	 <u>51,543,397</u>	 <u>50,301,785</u>
 Total liabilities and net assets	 <u>\$ 71,253,033</u>	 <u>\$ 71,824,584</u>

See notes to financial statements.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Statement of Activities  
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and gains:			
Parish assessments	\$ 7,474,707	\$ -	\$ 7,474,707
Bishop's Services Appeal	3,023,169	-	3,023,169
Property insurance premiums	9,076,822	-	9,076,822
Health insurance premiums	15,209,775	-	15,209,775
Grant revenue	-	670,020	670,020
Donations and contributions	298,102	247,501	545,603
Other revenues	3,945,464	-	3,945,464
Investment income	2,640,711	1,788,952	4,429,663
Total revenues prior to release from restrictions	41,668,750	2,706,473	44,375,223
Net assets released from restrictions	3,524,350	(3,524,350)	-
Total revenues	45,193,100	(817,877)	44,375,223
Expenses and losses:			
Program services-			
Seminarian expense	2,551,764	-	2,551,764
Religious personnel	893,115	-	893,115
Retired priests	(644,690)	-	(644,690)
Lay development and evangelization	1,819,220	-	1,819,220
Catholic education	718,157	-	718,157
Social services	1,111,620	-	1,111,620
Healthcare	15,992,453	-	15,992,453
Property liability insurance	12,031,526	-	12,031,526
Total program services	34,473,165	-	34,473,165
Support services-			
Management and general:			
Management and finance	1,156,327	-	1,156,327
Administrative	3,951,118	-	3,951,118
Diocesan assessments and contributions	279,302	-	279,302
Depreciation	689,568	-	689,568
Fundraising:			
Stewardship and development	1,278,156	-	1,278,156
Capital Campaign	1,672,788	-	1,672,788
Total support services	9,027,259	-	9,027,259
Total expenses	43,500,424	-	43,500,424
Change in net assets from operating activities	1,692,676	(817,877)	874,799
Other changes in net assets-			
Unrecognized gains- priest OPEB	476,712	-	476,712
Unrecognized losses- lay person OPEB	(109,899)	-	(109,899)
	366,813	-	366,813
Net assets, beginning of year	26,643,663	23,658,122	50,301,785
Net assets, end of year	\$28,703,152	\$22,840,245	\$51,543,397

See notes to financial statements.



SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Statement of Activities  
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and gains:			
Parish assessments	\$ 7,438,344	\$ -	\$ 7,438,344
Bishop's Services Appeal	2,942,287	-	2,942,287
Property insurance premiums	7,479,050	-	7,479,050
Health insurance premiums	14,668,818	-	14,668,818
Grant revenue	-	595,334	595,334
Donations and contributions	654,804	345,733	1,000,537
Other revenues	1,080,802	-	1,080,802
Investment income	2,327,584	1,113,230	3,440,814
Total revenues prior to release from restrictions	36,591,689	2,054,297	38,645,986
Net assets released from restrictions	881,717	(881,717)	-
Total revenues	37,473,406	1,172,580	38,645,986
Expenses and losses:			
Program services-			
Seminarian expense	1,153,715	-	1,153,715
Religious personnel	989,188	-	989,188
Retired priests	1,606,932	-	1,606,932
Lay development and evangelization	1,840,593	-	1,840,593
Catholic education	966,743	-	966,743
Social services	975,753	-	975,753
Healthcare	14,311,873	-	14,311,873
Property liability insurance	9,225,199	-	9,225,199
Total program services	31,069,996	-	31,069,996
Support services-			
Management and general:			
Management and finance	1,029,757	-	1,029,757
Administrative	3,406,445	-	3,406,445
Diocesan assessments and contributions	155,414	-	155,414
Depreciation	628,317	-	628,317
Fundraising:			
Stewardship and development	1,285,255	-	1,285,255
Capital Campaign	70,424	-	70,424
Total support services	6,575,612	-	6,575,612
Total expenses	37,645,608	-	37,645,608
Change in net assets from operating activities	(172,202)	1,172,580	1,000,378
Other changes in net assets-			
Unrecognized gains - priest OPEB	539,785	-	539,785
Unrecognized gains- lay person OPEB	125,353	-	125,353
	665,138	-	665,138
Net assets, beginning of year	26,150,727	22,485,542	48,636,269
Net assets, end of year	\$ 26,643,663	\$ 23,658,122	\$ 50,301,785

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Statements of Cash Flows  
For the Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets from operating activities	\$ 874,799	\$ 1,000,378
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	689,568	628,317
(Gain) on sale of property and equipment	(2,950,000)	(4,500)
(Increase) in accounts receivable	(485,326)	(81,736)
(Increase) in other receivables	(385,041)	(8,646)
Decrease (increase) in prepaid expenses	625,943	(4,606,252)
(Decrease) in cash overdraft	(347,126)	(1,180,433)
(Decrease) increase in accounts payable	(17,789)	78,990
(Decrease) increase in unearned revenue	(829,301)	49,749
(Decrease) increase in school state mandated services	(65,333)	64,071
Increase (decrease) in other liabilities	287,202	(228,161)
Increase in other postretirement benefits payable	341,447	383,385
(Decrease) increase in unfunded pension liability	(750,425)	1,498,029
Contributions and interest restricted for long-term purposes	<u>(1,794,006)</u>	<u>(1,167,036)</u>
Net cash used in operating activities	<u>(4,805,388)</u>	<u>(3,573,845)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(54,254)	(66,162)
Proceeds from sale of property and equipment	3,000,000	4,500
Additions to work in progress	(284,193)	(654,260)
Net (increase) in Mission Diocese Fund	(26,036)	(23,513)
Net decrease in investment in CDLP	4,954,580	3,117,265
Net (increase) in investments held by CLFA	<u>(4,559,180)</u>	<u>-</u>
Net cash provided by investing activities	<u>3,030,917</u>	<u>2,377,830</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collections of contributions restricted for long-term purposes:		
Contributions restricted to endowments	126,021	149,297
Interest on contributions restricted for long-term purposes	<u>1,667,985</u>	<u>1,017,739</u>
Net cash provided by financing activities	<u>1,794,006</u>	<u>1,167,036</u>
Net change in cash	19,535	(28,979)
Cash at beginning of year	<u>19,342</u>	<u>48,321</u>
Cash at end of year	<u>\$ 38,877</u>	<u>\$ 19,342</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for amounts included in the measurements of lease liabilities	<u>\$ 67,272</u>	<u>\$ 67,272</u>

See notes to financial statements.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Organization, Purpose and Reporting Entity

The Society of the Roman Catholic Church of the Diocese of Lafayette, Inc. (the "Diocese"), a not-for-profit corporation established under the laws of the State of Louisiana, operates as a religious organization. The Diocese is dedicated to spreading the Gospel through establishing, developing, and promoting all aspects of church ministry within the surrounding communities. The Diocese is supported primarily through contributions from benefactors and assessments from various church parishes within the boundaries of the Diocese.

The financial statements include the administrative and program offices and departments of the Diocese. The financial statements do not include the activities of other entities of the Diocese, such as Consolata Nursing Home, Catholic Charities of Acadiana, Inc., Catholic Foundation, The Diocese of Lafayette Priests' Welfare Trust, Catholic Legacy Foundation of Acadiana, Inc. ("CLFA"), various church parishes, and schools. These entities are separate nonprofit organizations. Each is a distinct operating entity from the Diocese, maintaining separate accountability and providing its own services and programs.

In addition, the financial statements do not include the activities of the Cooperative Deposit and Loan Program ("CDLP"). The CDLP is a financial program of the Diocese and separately incorporated Catholic Church Parishes, managed by the Diocese, which have combined their individual financial resources into a common fund with separate accounts for investment and lending purposes. A separate report was issued for these financial statements as of June 30, 2025 and 2024. Summarized financial data of the CDLP is set forth in Note 22.

B. Basis of Accounting

The financial statements of the Diocese have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted ("GAAP") in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets which are not subject to donor-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

C. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Diocese considers all bank checking accounts to be cash and cash equivalents. Fair value approximates carrying amounts.

D. Investments

In accordance with generally accepted accounting principles, all investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets with donor restrictions.

E. Allowance for Credit Losses

The allowance for credit losses is measured based on historical credit rates and projected future cash flows. As of June 30, 2025 and 2024, respectively, the balance in allowance for credit losses was \$0.

F. Property and Equipment

The Diocese has adopted a capitalization policy of \$5,000 for all property and equipment, which is recorded at cost, if purchased, or at estimated fair market value if donated. Donations of property and equipment are recorded as contributions at their estimated fair value. Maintenance and repairs are expensed as incurred; however, those that significantly increase asset values or extend useful lives, and meet the minimum threshold of \$5,000, are capitalized. Depreciation is computed by the straight line method at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	5 - 30
Furniture, fixtures and equipment	3 - 10
Computer equipment and software	3 - 5

G. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give to the Diocese. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specified purposes are reported as increases to net assets with donor restrictions. Donated services are recorded when either of the following criteria are met: (1) the services create or enhance nonfinancial assets or (2) the services require specialized skills performed by individuals possessing these skills and otherwise would have to be purchased.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

Revenue from assessments, insurance programs, and other programs are recorded when the related expense is incurred (when the performance obligation is met).

The risk-free discount rate is used to measure lease liabilities and right-of-use assets by class for all operating leases having a term of over 12 months. Operating lease expense included in the statement of activities is recognized on a straight-line basis over the life of the lease. Variable lease payments are expensed as incurred.

All other expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

H. Functional Expenses

Expenses are summarized and categorized based on their functional classification as either program or supporting services. Expenses are readily identifiable to a single program or activity and are charged directly to that function.

I. Income Taxes

The Internal Revenue Service (IRS) has issued to the United States Conference of Catholic Bishops, a group tax exemption ruling with respect to the Catholic organizations listed in The Official Catholic Directory (OCD) ("Group Ruling"). The Group Ruling establishes that organizations included in the OCD are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Diocese is included in the OCD; however, inclusion in the Group Ruling has no effect on an organization's liability for any federal excise taxes.

Accounting principles generally accepted in the United States of America require Diocese management to evaluate tax positions taken and recognize a tax liability (or asset) if the Diocese has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Diocese, and has concluded that as of June 30, 2025 and 2024, respectively, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

J. Compensated Absences

The Diocese provides employees who work a minimum of 20 hours (those hired prior to January 1, 2013) and 30 hours (those hired January 1, 2013 and thereafter) per week annual leave (PTO) based on years of service. Annual leave must be taken during the year and is not cumulative; however, an employee can carry over unused PTO to the next year, but not to exceed the maximum number of PTO hours allowed in a year's time. Upon termination of employment, an employee is paid for the value of any accrued leave through the date of employment separation. As of June 30, 2025 and 2024, the accrued compensated absences amounted to \$370,356 and \$346,675, respectively.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

L. Reclassifications

For comparative purposes, certain accounts in the prior year financial statements have been reclassified in order to conform to the presentation of the current year financial statements.

(2) Liquidity and Availability of Financial Assets

The following reflects the Diocese's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use because of time, donor or internally-imposed restrictions.

	2025	2024
Cash	\$ 38,877	\$ 19,342
Investments	54,377,403	54,746,765
Accounts, notes and other receivables	3,707,286	2,836,919
Less: those unavailable for general expenditures within one year, due to:		
Notes receivable maturing December 2039	(1,819,279)	(1,819,279)
Restricted by donors in perpetuity	(17,703,309)	(17,577,288)
Restricted by donors for specific purposes	(1,262,938)	(2,799,640)
Others restricted by spending policy and appropriation	(3,873,998)	(3,281,194)
Board designations	<u>(21,595,789)</u>	<u>(21,001,680)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,868,253</u>	<u>\$ 11,123,945</u>

The Diocese had financial assets available within one year to meet cash needs for general expenditures of \$11,868,253 and \$11,123,945 as of June 30, 2025 and 2024, respectively. As part of the Organization's liquidity management, the Diocese has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(3) Investments

Investments are stated at fair value and are summarized as follows:

	Donor-Restricted: Held in Perpetuity - Endowments	Other Donor- Restricted and Unrestricted	Total
June 30, 2025:			
Investment in CDLP	\$ 14,137,866	\$ 35,362,312	\$ 49,500,178
Investments held by CLFA	3,465,443	1,093,737	4,559,180
Investment in Mission Diocese Fund	100,000	126,828	226,828
NCRRG stock	<u>-</u>	<u>91,217</u>	<u>91,217</u>
Total investments	<u>\$ 17,703,309</u>	<u>\$ 36,674,094</u>	<u>\$ 54,377,403</u>
June 30, 2024:			
Investment in CDLP	\$ 17,477,288	\$ 36,977,468	\$ 54,454,756
Investment in Mission Diocese Fund	100,000	100,792	200,792
NCRRG stock	<u>-</u>	<u>91,217</u>	<u>91,217</u>
Total investments	<u>\$ 17,577,288</u>	<u>\$ 37,169,477</u>	<u>\$ 54,746,765</u>

Net investment return for the years ended June 30, 2025 and 2024 and its classification in the statement of activities is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025:			
Interest income from investments	\$ 2,574,872	\$ 1,616,427	\$ 4,191,299
Dividend income from Louisiana Workers' Compensation Corporation	65,839	-	65,839
Net realized and unrealized gains	<u>-</u>	<u>172,525</u>	<u>172,525</u>
Net investment return	<u>\$ 2,640,711</u>	<u>\$ 1,788,952</u>	<u>\$ 4,429,663</u>
June 30, 2024:			
Interest income from investments	\$ 1,799,073	\$ 1,090,998	\$ 2,890,071
Dividend income from Louisiana Workers' Compensation Corporation	528,511	-	528,511
Net realized and unrealized gains	<u>-</u>	<u>22,232</u>	<u>22,232</u>
Net investment return	<u>\$ 2,327,584</u>	<u>\$ 1,113,230</u>	<u>\$ 3,440,814</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(4) Fair Value Measurements

Professional standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under professional standards are described as follows: Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access. Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in inactive markets, quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The investment in CDLP is stated at cost, which approximates fair value, due to its high liquidity. Shares of investments held by CLFA are valued at the net asset value equal to quoted prices for identical assets in active markets. Other securities held by the Diocese, which represent stock certificates not readily marketable, are stated at cost, which approximates market. In all instances, estimation of fair value is highly subjective and based upon assumptions made at the time of estimation. Consequently, actual results may differ significantly from the estimates made. There have been no changes in the methodologies used to value the investments at June 30, 2025 and 2024.

The following table sets forth by level, within the fair value hierarchy, the Diocese's investments at fair value as of June 30, 2025 and 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2025:				
Investment in CDLP	<u>\$ 49,500,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$49,500,178</u>
Investment in Mission Diocese Fund	<u>226,828</u>	<u>-</u>	<u>226,828</u>	<u>-</u>
Investments held by CLFA -				
U.S. Government money funds	1,018,798	1,018,798	-	-
Mutual funds - fixed	1,720,199	1,720,199	-	-
Mutual funds - growth and index	1,599,555	1,599,555	-	-
Exchange-traded funds	<u>220,628</u>	<u>220,628</u>	<u>-</u>	<u>-</u>
	<u>4,559,180</u>	<u>4,559,180</u>	<u>-</u>	<u>-</u>
NCRRG stock	<u>91,217</u>	<u>-</u>	<u>91,217</u>	<u>-</u>
Total investments	<u>\$ 54,377,403</u>	<u>\$ 4,559,180</u>	<u>\$ 318,045</u>	<u>\$49,500,178</u>



SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

	Fair Value	Level 1	Level 2	Level 3
June 30, 2024:				
Investment in CDLP	\$ 54,454,756	\$ -	\$ -	\$54,454,756
Investment in Mission Diocese Fund	200,792	-	200,792	-
NCRRG stock	<u>91,217</u>	<u>-</u>	<u>91,217</u>	<u>-</u>
Total investments	<u>\$ 54,746,765</u>	<u>\$ -</u>	<u>\$ 292,009</u>	<u>\$54,454,756</u>

The following table sets forth a summary of changes in fair value of the Plan's Level 3 assets for the years ended June 30, 2025 and 2024:

	2025	2024
Balance, beginning of year	\$ 54,454,756	\$ 57,572,021
Add: deposits	43,953,984	41,296,036
Add: interest income	3,880,597	2,888,785
Less: withdrawals	<u>(52,789,159)</u>	<u>(47,302,086)</u>
Balance, end of year	<u>\$ 49,500,178</u>	<u>\$ 54,454,756</u>

(5) Accounts Receivable, Net

Accounts receivable consisted of the following as of June 30, 2025 and 2024:

	2025	2024
Property liability insurance premiums	\$ 545,747	\$ 385,211
Health insurance premiums	275,456	198,337
Assessment income receivable	561,322	403,300
Less: assessment credits	(50,726)	(40,389)
Other	<u>161,551</u>	<u>61,565</u>
Total	<u>\$ 1,493,350</u>	<u>\$ 1,008,024</u>

(6) Prepaid Expenses

The balance in prepaid expenses of \$5,804,929 and \$6,430,872 as of June 30, 2025 and 2024, respectively, consisted mainly of prepaid property insurance premiums.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(7) Notes Receivable

Village du Lac Apartments is a 200 unit government subsidized HUD development for the disabled and elderly (Section 202) sponsored by the Diocese of Lafayette in 1981. The property went through extensive rehabilitation in two phases utilizing tax credits and external financing that also resulted in Village du Lac, Inc. taking back a note in the amount of \$1,561,572, plus accrued interest of \$302,159, which was donated to the Diocese of Lafayette as a single indebtedness of \$1,863,731.

The first phase of the project was refinanced in November 2015 and the financing arrangement required Village du Lac, Inc. to make a reimbursable capital contribution to Rue du Lac, LLC. As part of the refinancing, the above note plus accrued interest was paid in full to the Diocese of Lafayette, who in turn made a non-interest bearing loan to Village du Lac, Inc., which provided the equity needed for the capital contribution to Rue du Lac, LLC.

Notes receivable of \$1,819,279 as of June 30, 2025 and 2024, matures December 1, 2039. Repayment of the indebtedness will come from Village du Lac, Inc., as and when it receives its capital reimbursed through excess cash flow of the project from Rue du Lac, LLC. While this pass-through repayment requires the development to generate excess cash flow and other items be repaid in a certain priority, as of June 30, 2025, the Diocese does not anticipate any losses with respect to collection of the note.

(8) Property and Equipment

Property and equipment consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 13,757,336	\$ 13,429,468
Furniture, fixtures and equipment	3,075,342	2,996,282
Computer equipment and software	<u>1,115,635</u>	<u>1,100,194</u>
Total depreciable assets	17,948,313	17,525,944
Less: accumulated depreciation	<u>(12,943,232)</u>	<u>(12,253,664)</u>
Total depreciable assets, net	5,005,081	5,272,280
Land	1,902,935	1,952,935
Work in progress	<u>-</u>	<u>83,922</u>
Total property and equipment, net	<u>\$ 6,908,016</u>	<u>\$ 7,309,137</u>

Total depreciation expense for the years ended June 30, 2025 and 2024 was \$689,568 and \$628,317, respectively.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
DIOCESE OF LAFAYETTE

Notes to Financial Statements (Continued)

(9) Cash Overdraft

Excess funds on deposit are held in an interest bearing account and transferred to the operating accounts as checks clear the bank. Cash overdrafts, consisting of outstanding checks at the end of each fiscal year, amounted to \$152,479 and \$499,605 as of June 30, 2025 and 2024, respectively.

(10) Other Liabilities

Other liabilities as of June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Accrued property insurance claims	\$ 1,691,002	\$ 1,699,104
Accrued health insurance claims	941,906	954,425
External priest liability	494,472	489,383
Due to Catholic Charities, parishes and priests for Bishop's Services Appeal allocations and other obligations	389,646	285,006
Other	<u>389,013</u>	<u>214,600</u>
Total	<u>\$3,906,039</u>	<u>\$3,642,518</u>

(11) Unearned Revenue

The balance in unearned revenue of \$14,486 and \$843,787 as of June 30, 2025 and 2024, respectively, consisted mainly of property insurance premiums received in advance of the coverage period.

(12) Other Postretirement Employment Benefits (OPEB)

The Diocese provides postretirement health care for incardinated priests. This is a non-contributory plan provided by the Diocese which pays for the health insurance of its priests for life. The benefit generally takes effect when the priest reaches the age of 75.

Central office employees who retire at age 62 or older and have worked for the Diocese for 20 or more years are eligible for up to \$500 per month through a self-insured program to cover medical expenses, until the date of death. Employees retiring with at least 15 years, but less than 20 years, receive a pro-rated benefit.

The following table sets forth the changes in the accumulated benefit obligation as of and for the years ended June 30, 2025 and 2024:

	<u>Priests</u>	<u>Lay Persons</u>	<u>Total</u>
June 30, 2025:			
Postretirement benefit obligation, beginning of year	\$ 8,547,667	\$ 2,794,500	\$ 11,342,167
Service and interest cost	735,360	198,844	934,204
Actuarial adjustments	(500,333)	90,128	(410,205)
Benefits paid	<u>(340,875)</u>	<u>(208,490)</u>	<u>(549,365)</u>
Postretirement benefit obligation, end of year	<u>\$ 8,441,819</u>	<u>\$ 2,874,982</u>	<u>\$ 11,316,801</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

	<u>Priests</u>	<u>Lay Persons</u>	<u>Total</u>
June 30, 2024:			
Postretirement benefit obligation, beginning of year	\$ 8,677,494	\$ 2,946,427	\$ 11,623,921
Service and interest cost	730,544	194,357	924,901
Actuarial adjustments	(539,785)	(130,944)	(670,729)
Benefits paid	<u>(320,586)</u>	<u>(215,340)</u>	<u>(535,926)</u>
Postretirement benefit obligation, end of year	<u>\$ 8,547,667</u>	<u>\$ 2,794,500</u>	<u>\$ 11,342,167</u>

Funded status and funding progress: As of June 30, 2025 and 2024, respectively, the OPEB plans had no assets, therefore the funded ratio (defined as the actuarial value of plan assets divided by the accumulated benefit obligation) is 0%. The following table sets forth the unfunded amount of the accumulated benefit obligation (funded status) and the amount recognized in the statements of financial position as of June 30, 2025 and 2024:

	<u>Priests</u>	<u>Lay Persons</u>	<u>Total</u>
June 30, 2025:			
Funded status	<u>\$ 8,441,819</u>	<u>\$ 2,874,982</u>	<u>\$ 11,316,801</u>
June 30, 2024:			
Funded status	<u>\$ 8,547,667</u>	<u>\$ 2,794,500</u>	<u>\$ 11,342,167</u>

The components of OPEB expense recognized in the statements of activities for the years ended June 30, 2025 and 2024 are as follows:

	<u>Priests</u>	<u>Lay Persons</u>	<u>Total</u>
June 30, 2025:			
Service cost	\$ 288,596	\$ 55,884	\$ 344,480
Interest cost	<u>446,764</u>	<u>142,960</u>	<u>589,724</u>
Total	<u>\$ 735,360</u>	<u>\$ 198,844</u>	<u>\$ 934,204</u>
June 30, 2024:			
Service cost	\$ 311,900	\$ 57,113	\$ 369,013
Interest cost	<u>418,644</u>	<u>137,244</u>	<u>555,888</u>
Total	<u>\$ 730,544</u>	<u>\$ 194,357</u>	<u>\$ 924,901</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

Changes to the benefit obligations other than OPEB expense are included in other changes in net assets without donor restrictions for the years ended June 30, 2025 and 2024 as follows:

	<u>Priests</u>	<u>Lay Persons</u>	<u>Total</u>
June 30, 2025:			
Unrecognized actuarial (gain) loss	\$ (168,887)	\$ 58,189	\$ (110,698)
Adjustment to unrecognized (gain) loss	(355,067)	12,168	(342,899)
Amortization of unrecognized amounts	<u>23,621</u>	<u>19,771</u>	<u>43,392</u>
Total unrecognized actuarial (gain) loss	<u>\$ (500,333)</u>	<u>\$ 90,128</u>	<u>\$ (410,205)</u>
June 30, 2024:			
Unrecognized actuarial loss	\$ 66,717	\$ 4,500	\$ 71,217
Adjustment to unrecognized (gain)	(606,502)	(141,036)	(747,538)
Amortization of unrecognized amounts	<u>-</u>	<u>5,592</u>	<u>5,592</u>
Total unrecognized actuarial (gain)	<u>\$ (539,785)</u>	<u>\$ (130,944)</u>	<u>\$ (670,729)</u>

The discount rate used in determining the OPEB obligation was 5.57% for priests and 5.21% for lay persons for the year ended June 30, 2025, and 5.34% for priests and lay persons for the year ended June 30, 2024. The assumed medical cost trend rate used was 7.5% (non-Medicare) and 5.0% (Medicare) for the years ended June 30, 2025 and 2024.

The following schedule of benefits, net of employee contributions, expected to be paid to the OPEB plans in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter is based on the latest actuarial valuation as of June 30, 2025:

	<u>Priests</u>	<u>Lay Persons</u>	<u>Total</u>
2026	\$ 362,226	\$ 247,423	\$ 609,649
2027	366,258	245,936	612,194
2028	369,689	243,725	613,414
2029	379,756	241,747	621,503
2030	379,925	238,349	618,274
2031-2034	2,152,869	1,120,526	3,273,395

(13) Unfunded Pension Liability - Priests

Professional standards require that the estimated amounts for future retirement payments be accrued over the period of active service with regard to deferred compensation contracts with individual employees when such plan is the equivalent of a pension plan. The Priests' Welfare Trust, (the Trust), a separate trust established in 2008, holds the assets of the priest retirement plan. As of June 30, 2025 and 2024, the unfunded portion of the pension liability amounted to \$2,533,984 and \$3,284,409 respectively, and was 89.0% and 85.3% funded, respectively.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
DIOCESE OF LAFAYETTE

Notes to Financial Statements (Continued)

(14) Net Assets without Donor Restrictions

Net assets without donor restrictions consist of the following as of June 30, 2025 and 2024:

	2025	2024
Designated by the Board -		
Msgr. Fusilier Scholarship Endowment	\$ 366,185	\$ 341,052
Information Technology	40,313	37,546
Cathetics Calendar	33,569	28,811
Black Catholics	-	1,140
Hispanic Ministry	13,836	11,426
Parish Preservation Fund	843,865	785,945
Capital Fund	864,480	833,472
Hurricane Fund	5,325	4,960
Needy Parishes	258,444	143,129
Msgr. Viglerio Fund	144,780	134,843
Bishop's Designated Fund	24,834	23,130
Consolata Nursing Home	592,248	551,598
Holy Rosary Institute	95,925	89,341
Community Development	708,057	659,459
Diocesan Seminarian Education Endowment	1,956,274	1,822,004
Total General Fund designations	5,948,135	5,467,856
Health insurance	11,374,181	11,329,924
Property insurance	4,273,473	4,203,900
Total designated by board	21,595,789	21,001,680
Undesignated net assets	7,107,363	5,641,983
Total net assets without donor restrictions	<u>\$ 28,703,152</u>	<u>\$ 26,643,663</u>

(15) Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2025 and 2024:

	Subject to Expenditure for Specified Purpose	Endowments Subject to Spending Policy and Appropriation		Total
		Unspent Interest	Investments in Perpetuity	
June 30, 2025:				
Capital Campaign case elements	\$ 647,524	\$ -	\$ -	\$ 647,524
Grants	474,814	-	-	474,814
Ministries and other	140,600	-	-	140,600
Diocesan Seminarian Education	-	606,020	6,182,304	6,788,324

(continued)

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(15) Net Assets with Donor Restrictions (Continued)

June 30, 2025:

	Subject to Expenditure for Specified Purpose	Endowments Subject to Spending Policy and Appropriation		Total
		Unspent Interest	Investments in Perpetuity	
Rev. George Simon Education	-	519,111	805,114	1,324,225
Msgr. Fusilier Scholarship	-	386,484	1,692,975	2,079,459
School Teacher	-	105,735	100,000	205,735
Perpetual Mass	-	22,437	20,000	42,437
St Bryant Parish	-	19,798	4,268	24,066
J.W. Matt Educational	-	92,307	328,060	420,367
Fusilier Continuing Education	-	162,867	515,026	677,893
Capital Campaign- Seminarian Education	-	1,959,239	8,055,562	10,014,801
	<u>\$ 1,262,938</u>	<u>\$ 3,873,998</u>	<u>\$ 17,703,309</u>	<u>\$ 22,840,245</u>

	Subject to Expenditure for Specified Purpose	Endowments Subject to Spending Policy and Appropriation		Total
		Unspent Interest	Investments in Perpetuity	
June 30, 2024:				
Capital Campaign case elements	\$ 553,057	\$ -	\$ -	\$ 553,057
Grants	196,352	-	-	196,352
Ministries	129,446	-	-	129,446
Diocesan Seminarian Education	-	1,025,071	6,056,314	7,081,385
Rev. George Simon Education	-	402,345	805,114	1,207,459
Msgr. Fusilier Scholarship	-	259,533	1,692,975	1,952,508
School Teacher	-	92,925	100,000	192,925
Perpetual Mass	-	18,695	20,000	38,695
St Bryant Parish	-	17,676	4,268	21,944
J.W. Matt Educational	-	64,711	328,060	392,771
Fusilier Continuing Education	-	87,909	515,026	602,935
Capital Campaign- Seminarian Education	-	1,312,329	8,055,531	9,367,860
Capital Campaign- Matthew 25	1,920,785	-	-	1,920,785
	<u>\$ 2,799,640</u>	<u>\$ 3,281,194</u>	<u>\$ 17,577,288</u>	<u>\$ 23,658,122</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(16) Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended June 30, 2025 and 2024 as follows:

	2025	2024
Grants and contributions	\$ 501,274	\$ 747,574
J.W. Matt Educational Endowment interest	10,000	10,000
Msgr. Fusilier Scholarship Endowment interest	59,538	50,140
School Teacher Endowment interest	5,643	5,648
Diocesan Seminarian Education Endowment interest	950,521	-
Capital Campaign Seminarian Education Endowment interest	49,478	-
Capital Campaign Matthew 25 interest	275,694	64,644
Capital Campaign - parish share of contributions received	59	2,473
Capital Campaign - external case element disbursements	<u>1,672,143</u>	<u>1,238</u>
	<u>\$ 3,524,350</u>	<u>\$ 881,717</u>

(17) Interpretation of Relevant Law

The Diocese's endowments consist of nine donor-restricted funds and two board-designated funds established for specific purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant Law* - The Diocese has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. Currently, the Diocese classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction (if any) of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets is classified as without donor-restriction until those amounts are appropriated for expenditure by the Diocese in a manner consistent with the Finance Board's policies and procedures.



SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

*Spending Policy and How the Investment Objectives Relate to Spending Policy* - The Diocese spends what is necessary to fulfill the endowment purpose. Accordingly, over the long-term, the Diocese expects the current spending policy to allow its endowments to grow annually. This is consistent with the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) Duration and preservation of the fund.
- (2) Purposes of the Diocese and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) Possible effect of inflation and deflation.
- (5) Expected total return from income and the appreciation of investments.
- (6) Other resources of the Diocese.
- (7) Investment policies of the Diocese.

*Investment Return Objectives, Risk Parameters and Strategies* - The Diocese has adopted an investment policy, approved by the Finance Board, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment fund while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in funds held by the Cooperative Deposit and Loan Program (CDLP) and other securities that are intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Diocese has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. There were no underwater endowments as of June 30, 2025 and 2024.

Endowment net asset composition by type of fund as of June 30, 2025 and 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025:			
Board-designated endowment funds	\$ 2,322,459	\$ -	\$ 2,322,459
Donor-restricted endowment funds -			
Unspent interest	-	3,873,998	3,873,998
Investments in perpetuity	-	17,703,309	17,703,309
	<u>\$ 2,322,459</u>	<u>\$ 21,577,307</u>	<u>\$ 23,899,766</u>
June 30, 2024:			
Board-designated endowment funds	\$ 2,163,056	\$ -	\$ 2,163,056
Donor-restricted endowment funds -			
Unspent interest	-	3,281,194	3,281,194
Investments in perpetuity	-	17,577,288	17,577,288
	<u>\$ 2,163,056</u>	<u>\$ 20,858,482</u>	<u>\$ 23,021,538</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025:			
Endowment net assets, beginning of year	\$ 2,163,056	\$ 20,858,482	\$ 23,021,538
Donor-restricted contributions	-	126,021	126,021
Investment income	159,403	1,667,985	1,827,388
Earnings released from restriction	<u>-</u>	<u>(1,075,181)</u>	<u>(1,075,181)</u>
Endowment net assets, end of year	<u>\$ 2,322,459</u>	<u>\$ 21,577,307</u>	<u>\$ 23,899,766</u>
June 30, 2024:			
Endowment net assets, beginning of year	\$ 2,058,122	\$ 19,757,234	\$ 21,815,356
Donor-restricted contributions	-	149,297	149,297
Investment income	104,934	1,017,739	1,122,673
Earnings released from restriction	<u>-</u>	<u>(65,788)</u>	<u>(65,788)</u>
Endowment net assets, end of year	<u>\$ 2,163,056</u>	<u>\$ 20,858,482</u>	<u>\$ 23,021,538</u>

(18) Fundraising

Stewardship and development costs shown on the statements of activities consisted of the following expenses incurred by the development office of the Diocese which is responsible for coordination of the Diocese's annual Bishop's Services Appeal:

	2025	2024
Stewardship and development office	\$ 656,784	\$ 717,119
Parish share of Bishop's Services Appeal contributions	319,055	273,907
Bishop's Services Appeal allocation to Catholic Charities	<u>302,317</u>	<u>294,229</u>
Total	<u>\$1,278,156</u>	<u>\$1,285,255</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
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Notes to Financial Statements (Continued)

Capital Campaign costs shown on the statements of activities consisted of the following:

	2025	2024
Capital Campaign fundraising office	\$ 586	\$ 1,416
Parish share of contributions received	59	2,473
Case element disbursements to external agencies -		
Disbursed to CLFA (See Note 22B)	1,669,245	-
Other	2,898	66,535
Total	<u>\$ 1,672,788</u>	<u>\$ 70,424</u>

(19) Self-Insurance Programs

As of June 30, 2025 and 2024, the Diocese maintained several types of self-insurance programs for itself as well as parishes, schools, and other entities of the Diocese and their employees. These policies cover property and liability, as well as hospitalization and medical coverage for employees. The Diocese limits its losses through the use of stop-loss policies from reinsurers and excess insurance coverage.

Health Insurance -

Health and medical claims are limited to a \$175,000 specific deductible per claimant annually, as of June 30, 2025 and 2024, respectively, and an unlimited lifetime deductible, as of June 30, 2025 and 2024. The Diocese's aggregate annual loss estimation is based on a formula that considers, among other things, the total number of participants in the medical plan. In addition, a split-funded arrangement is in effect in which the Diocese is responsible for all amounts necessary to satisfy the individual specific deductible plus amounts which exceed the individual specific deductible up to an amount based upon the number of covered individuals times the number of months in the policy times a predetermined rate. As of June 30, 2025 and 2024, the minimum annual aggregate deductible was \$17,218,732 and \$15,645,495, respectively.

Property and Liability Insurance -

With respect to the Diocese's insurance for property and liability, the self-insured retention (SIR) is \$325,000 per occurrence for property claims and \$250,000 per occurrence for most liability claims, and the program has an annual aggregate limit of \$1,250,000 July 1, 2023 through March 31, 2024. The SIR per occurrence for property and most liability claims was \$250,000, for the policy period April 1, 2024 through March 31, 2025. As of June 30, 2025, the SIR per occurrence is \$100,000 for property and \$250,000 for most liability claims.

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

The Diocese charges and collects assessments and premiums from all parties for both medical and property/liability types of insurance and considers these services as program type services. Total expenses for these services are included in the statements of activities and shown as separate program services.

Claims are accrued based on the loss that is probable to have been at the date of the financial statements and the amount of the loss that can be reasonably estimated. Other liabilities include a provision for claims that have been incurred but not reported of \$155,948 and \$132,441 as of June 30, 2025 and 2024, respectively. The provision was calculated utilizing historical information adjusted for current trends.

(20) Lay Person's Retirement Plan

Under a defined contribution 403 (b) (9) retirement plan, the Diocese contributes 8% of lay person's eligible compensation. Included in salaries and benefits in expenses by nature and function (See Note 25) were employer contributions to the plan of \$299,366 and \$282,381 for the years ended June 30, 2025 and 2024, respectively.

(21) Concentration of Credit Risk

Cash balances on deposit at financial institutions were fully insured by Federal Deposit Insurance Corporation (FDIC) as of June 30, 2025 and 2024, respectively. The Diocese does not believe that it is exposed to any significant credit risk on uninsured amounts.

(22) Related Parties

A. CDLP

As of June 30, 2025 and 2024, the Diocese had invested with the CDLP an amount of \$49,500,178 and \$54,454,756, respectively. Included in other receivables was accrued interest receivable due from the CDLP of \$309,468 and \$0 as of June 30, 2025 and 2024, respectively. Substantially all investment income reflected within the statements of activities is derived from investments of the Diocese in the CDLP. As described in Note 1, the assets, liabilities, net assets, and activities of CDLP are not included in these financial statements. Summarized financial data for the CDLP is as follows:

	<u>2025</u>	<u>2024</u>
Total assets	<u>\$ 218,519,346</u>	<u>\$ 211,488,817</u>
Total liabilities	\$ 145,016,565	\$ 147,081,742
Total net assets	<u>73,502,781</u>	<u>64,407,075</u>
Total liabilities and net assets	<u>\$ 218,519,346</u>	<u>\$ 211,488,817</u>
Revenues	20,192,624	22,618,819
Expenses	<u>11,096,918</u>	<u>7,515,104</u>
Change in net assets	<u>\$ 9,095,706</u>	<u>\$ 15,103,715</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

B. CLFA

As of June 30, 2025 and 2024, the Diocese had investments held by CLFA, as custodian, an amount of \$4,559,180 and \$0 respectively. On November 1, 2024, the Diocese entered into a three year agreement terminating June 30, 2027 for planned giving services provided by CLFA for an annual fee of \$100,000. Included in support services (management and general – administrative) on the statement of activities was \$66,000 for the year ending June 30, 2025 paid to CLFA for these services. During the year ending June 30, 2025, the Diocese appropriated the following funds to CLFA in accordance with their intended donor-restricted purpose: \$1,944,939 (\$1,669,245-Capital Campaign contributions, and \$275,694-earnings on Capital Campaign contributions) for the establishment of Matthew 25 Endowment for Service to the Poor; and \$1,000,000 for the establishment of an endowment for Diocese of Lafayette seminarians. Both endowments are owned and administrated by CLFA.

C. Church Parishes and Schools

Substantially all insurance premium, fee, and assessment income result from charges billed and collected from separately incorporated church parishes and schools within the boundaries of the diocese. Included in accounts receivable is \$821,203 and \$583,548 as of June 30, 2025 and 2024, respectively, for property liability and healthcare insurance premiums due from schools and church parishes. Accounts receivable in the amount of \$510,596 and \$362,911 as of June 30, 2025 and 2024, respectively, are due from church parishes for assessment income, net of assessment credits. (See Note 5).

(23) Operating Leases

The Diocese is obligated under two office equipment operating lease agreements having terms of 60 months and 63 months, expiring May, 2026 and December, 2027. The following is a maturity analysis of the annual undiscounted cash flows (payments) of the operating lease liability as of June 30, 2025:

2026	\$ 64,534
2027	34,413
2028	<u>17,206</u>
Total operating lease liability - payments	<u>\$ 116,153</u>

The following is a reconciliation of the total operating lease liability – payments on the schedule above to the operating lease liability on the accompanying statement of net position.

Total operating lease liability - payments	\$ 116,153
Lease liability	\$ 51,270
Current portion of lease liability	<u>63,503</u>
Total operating lease liability	<u>114,773</u>
Present value adjustment	<u>\$ 1,380</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

Included in the statement of activities for the years ended June 30, 2025 and 2024, is operating lease costs of \$67,272 and \$67,272, respectively, and short-term lease costs of \$40,227 and \$51,247, respectively. The weighted average (in years) of the remaining lease terms is 1.59 and 2.01 as of June 30, 2025 and 2024, respectively. The weighted average discount rate used was 1.39% and 1.56% for the years ended June 30, 2025 and 2024, respectively.

(24) Expenses by Nature and Function

The Diocese's expenses by both their nature and function for the years ended June 30, 2025 and 2024 are as follows:

June 30, 2025:

	Salaries and Benefits	Operational Costs, Rent and Insurance Programs	Office, Conferences, Travel and Other	Total
Program services-				
Seminar expense	\$ 148,734	\$ 2,342,937	\$ 60,093	\$ 2,551,764
Religious personnel	785,828	60,384	46,903	893,115
Retired priests	(645,548)	858	-	(644,690)
Lay development and evangelization	1,149,294	522,019	147,907	1,819,220
Catholic education	394,247	307,914	15,996	718,157
Social services	445,226	630,923	35,471	1,111,620
Healthcare	-	15,992,453	-	15,992,453
Property liability	245,099	11,782,744	3,683	12,031,526
Total program services	<u>2,522,880</u>	<u>31,640,232</u>	<u>310,053</u>	<u>34,473,165</u>
Supporting services-				
Management and general:				
Management and finance	1,021,275	43,388	91,664	1,156,327
Administrative	2,029,612	324,841	1,596,665	3,951,118
Diocesan assessments	-	279,302	-	279,302
Depreciation	-	-	689,568	689,568
Fundraising:				
Stewardship and development	293,623	682,069	302,464	1,278,156
Capital Campaign	-	1,672,209	579	1,672,788
Total support services	<u>3,344,510</u>	<u>3,001,809</u>	<u>2,680,940</u>	<u>9,027,259</u>
Total expenses	<u>\$ 5,867,390</u>	<u>\$ 34,642,041</u>	<u>\$ 2,990,993</u>	<u>\$ 43,500,424</u>

continued

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(24) Expenses by Nature and Function (Continued)

June 30, 2024:

	Salaries and Benefits	Operational Costs, Rent and Insurance Programs	Office, Conferences, Travel and Other	Total
Program services-				
Seminar expense	\$ 117,768	\$ 1,002,038	\$ 33,909	\$ 1,153,715
Religious personnel	837,897	106,449	44,842	989,188
Retired priests	1,606,049	883	-	1,606,932
Lay development and evangelization	1,087,691	594,750	158,152	1,840,593
Catholic education	379,187	577,960	9,596	966,743
Social services	498,755	433,727	43,271	975,753
Healthcare	-	14,311,873	-	14,311,873
Property liability	243,404	8,977,725	4,070	9,225,199
Total program services	<u>4,770,751</u>	<u>26,005,405</u>	<u>293,840</u>	<u>31,069,996</u>
Supporting services-				
Management and general:				
Management and finance	889,391	82,708	57,658	1,029,757
Administrative	1,853,507	227,439	1,325,499	3,406,445
Diocesan assessments	-	155,414	-	155,414
Depreciation			628,317	628,317
Fundraising:				
Stewardship and development	356,775	645,399	283,081	1,285,255
Capital Campaign	-	69,008	1,416	70,424
Total support services	<u>3,099,673</u>	<u>1,179,968</u>	<u>2,295,971</u>	<u>6,575,612</u>
Total expenses	<u>\$ 7,870,424</u>	<u>\$ 27,185,373</u>	<u>\$ 2,589,811</u>	<u>\$ 37,645,608</u>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Notes to Financial Statements (Continued)

(25) Pending Litigation

The Diocese is party to several claims and litigations brought against entities that participate in the Property Insurance Program. These claims and litigations are at various stages of the legal process. Legal counsel has reviewed the lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Diocese in order to arrive at an estimate, if any, of the amount or range of potential loss. As a result of the review, various claims and litigations have been categorized as “probable”, “reasonably possible,” or “remote” as defined by the standards. As of June 30, 2025, the total range of potential loss on claims with a reasonably possible likelihood of unfavorable outcome is \$88,187,500 to \$162,450,000.

(26) Change in Accounting Principle

During the year ending June 30, 2024, the Diocese implemented FASB ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss methodology (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost. The adoption of this standard did not have a material impact on the Diocese’s financial statements but did change how the allowance for credit losses is determined.

(27) Correction of Error

During 2025, it was discovered that net assets previously reported as investments in perpetuity of \$1,669,245 and unspent interest of \$251,540, as of June 30, 2024, for the Capital Campaign-Matthew 25, were recorded in error because an endowment was never established. As a result, the June 30, 2024 notes to the financial statements (Note 15) have been corrected to properly present Capital Campaign- Matthew 25 as net assets subject to expenditure for specified purpose in the amount of \$1,920,785 as follows:

	Subject to Expenditure for Specified Purpose	Endowments	
		Subject to Spending Policy and Appropriation	
		Unspent Interest	Investments in Perpetuity
Net Assets with Donor Restrictions:			
Capital Campaign- Matthew 25-			
Previously presented	\$ -	\$ 251,540	\$ 1,669,245
Restated	1,920,785	-	-

(28) Subsequent Events Review

The Diocese’s management has evaluated subsequent events through November 14, 2025, the date which the financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Combining Statement of Financial Position

June 30, 2025

	General Fund	Health Insurance Fund	Property Insurance Fund	Total
<b>ASSETS</b>				
Cash	\$ 38,877	\$ -	\$ -	\$ 38,877
Investments	24,298,100	11,874,027	501,967	36,674,094
Accounts receivable, net	672,151	275,452	545,747	1,493,350
Other receivables	394,657	-	-	394,657
Due (to) from other funds	412,612	(8,939)	(403,673)	-
Prepaid expenses	271,941	21,091	5,511,897	5,804,929
Deposits	-	251,750	50,000	301,750
Notes receivable	1,819,279	-	-	1,819,279
Right-of-use assets, net	114,772	-	-	114,772
Property and equipment, net	6,908,016	-	-	6,908,016
Investments restricted for endowments	17,703,309	-	-	17,703,309
<b>Total assets</b>	<b>\$ 52,633,714</b>	<b>\$ 12,413,381</b>	<b>\$ 6,205,938</b>	<b>\$ 71,253,033</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities:</b>				
Cash overdraft	\$ 24,007	\$ 8,118	\$ 120,354	\$ 152,479
Accounts payable	134,216	56,945	92,976	284,137
Accrued compensated absences payable	354,962	-	15,394	370,356
Current portion of lease liability	63,503	-	-	63,503
Unearned revenue	884	863	12,739	14,486
School state mandated services	1,016,581	-	-	1,016,581
Other liabilities	1,241,763	973,274	1,691,002	3,906,039
Lease liability	51,270	-	-	51,270
Other postretirement benefits payable - lay persons	2,874,982	-	-	2,874,982
Other postretirement benefits payable - priests	8,441,819	-	-	8,441,819
Unfunded pension liability - priests	2,533,984	-	-	2,533,984
<b>Total liabilities</b>	<b>16,737,971</b>	<b>1,039,200</b>	<b>1,932,465</b>	<b>19,709,636</b>
<b>Net assets:</b>				
Without donor restrictions -				
Designated for specific purposes	5,948,135	11,374,181	4,273,473	21,595,789
Undesignated	7,107,363	-	-	7,107,363
<b>Total net assets without donor restrictions</b>	<b>13,055,498</b>	<b>11,374,181</b>	<b>4,273,473</b>	<b>28,703,152</b>
With donor restrictions	22,840,245	-	-	22,840,245
<b>Total net assets</b>	<b>35,895,743</b>	<b>11,374,181</b>	<b>4,273,473</b>	<b>51,543,397</b>
<b>Total liabilities and net assets</b>	<b>\$ 52,633,714</b>	<b>\$ 12,413,381</b>	<b>\$ 6,205,938</b>	<b>\$ 71,253,033</b>

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.  
Combining Statement of Activities  
Year Ended June 30, 2025

	General Fund	Health Insurance Fund	Property Insurance Fund	Total
Revenues and gains:				
Parish assessments	\$ 7,474,707	\$ -	\$ -	\$ 7,474,707
Bishop's Services Appeal	3,023,169	-	-	3,023,169
Property insurance premiums	-	-	9,076,822	9,076,822
Health insurance premiums	-	15,209,775	-	15,209,775
Grant revenue	670,020	-	-	670,020
Donations and contributions	545,603	-	-	545,603
Other revenues	3,910,639	-	34,825	3,945,464
Investment income	3,213,276	826,935	389,452	4,429,663
Total revenues	<u>18,837,414</u>	<u>16,036,710</u>	<u>9,501,099</u>	<u>44,375,223</u>
Expenses and losses:				
Program services-				
Seminarian expense	2,551,764	-	-	2,551,764
Religious personnel	893,115	-	-	893,115
Retired priests	(644,690)	-	-	(644,690)
Lay development and evangelization	1,819,220	-	-	1,819,220
Catholic education	718,157	-	-	718,157
Social services	1,111,620	-	-	1,111,620
Healthcare	-	15,992,453	-	15,992,453
Property liability insurance	-	-	12,031,526	12,031,526
Total program services	<u>6,449,186</u>	<u>15,992,453</u>	<u>12,031,526</u>	<u>34,473,165</u>
Supporting services-				
Management and general:				
Management and finance	1,156,327	-	-	1,156,327
Administrative	3,951,118	-	-	3,951,118
Diocesan assessments and contributions	279,302	-	-	279,302
Depreciation	689,568	-	-	689,568
Fundraising:				
Stewardship and development	1,278,156	-	-	1,278,156
Capital Campaign	1,672,788	-	-	1,672,788
Total support services	<u>9,027,259</u>	<u>-</u>	<u>-</u>	<u>9,027,259</u>
Total expenses	<u>15,476,445</u>	<u>15,992,453</u>	<u>12,031,526</u>	<u>43,500,424</u>
Other income (loss):				
Interfund transfers	(2,600,000)	-	2,600,000	-
Change in net assets	<u>760,969</u>	<u>44,257</u>	<u>69,573</u>	<u>874,799</u>
Other changes in net assets-				
Unrecognized gains- priest OPEB	476,712	-	-	476,712
Unrecognized losses - lay person OPEB	(109,899)	-	-	(109,899)
	<u>366,813</u>	<u>-</u>	<u>-</u>	<u>366,813</u>
Net assets, beginning of year	<u>34,767,961</u>	<u>11,329,924</u>	<u>4,203,900</u>	<u>50,301,785</u>
Net assets, end of year	<u>\$ 35,895,743</u>	<u>\$ 11,374,181</u>	<u>\$ 4,273,473</u>	<u>\$ 51,543,397</u>

## **INTERNAL CONTROL AND COMPLIANCE**

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Bishop and the  
Diocesan Finance Board  
Society of the Roman Catholic Church  
of the Diocese of Lafayette, Inc.  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2025.

### Report of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Society of the Roman Catholic Church of the Diocese of Lafayette, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
November 14, 2025

SOCIETY OF THE ROMAN CATHOLIC CHURCH  
OF THE DIOCESE OF LAFAYETTE, INC.

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year ended June 30, 2025

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.

Part II. Prior Year Findings

A. Internal Control Findings -

There are no findings to report under this section.

B. Compliance Findings -

There are no findings to report under this section.