

**THE CENTRAL ADMINISTRATIVE OFFICES OF
THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU,
OFFICES AND INSTITUTIONS**

*Financial Statements
and Supplementary Information*

June 30, 2016

(With Independent Auditor's Report Thereon)

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

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A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

His Excellency
Most Reverend Shelton Fabre, D.D.
Bishop of the Diocese of Houma-Thibodaux

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions, as of June 30, 2016 and 2015, which comprise the consolidated statements of financial position and the related consolidated statements of activities and cash flows for the years 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux and Institutions as of June 30, 2016 and 2015, 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.

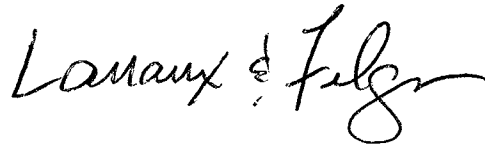
Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in Schedules 1 to 14 as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Diocese. Such information, except for Schedule 13, which is marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements as a whole. The Schedule of Operations of Parishes and Institutions on page 35 (Schedule 13) marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016, on our consideration of the Diocese'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 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 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 Diocese's internal control over financial reporting and compliance.

Houma, Louisiana
November 4, 2016

A handwritten signature in black ink, appearing to read "Lamany & Fulger", is written in a cursive style.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

*Consolidated Statements of Financial Position
June 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,596,088	\$ 2,423,349
Accounts receivable	895,146	701,261
ABA receivable	168,177	158,205
Accrued interest and mineral royalties receivable	197,278	238,867
Prepaid expenses	212,088	78,756
Current maturities of parish and school loans	40,000	356,000
Investments in marketable debt securities expected to be sold or to mature to fund current expected deposit withdrawals	<u>25,900,000</u>	<u>24,200,000</u>
Total current assets	<u>31,008,777</u>	<u>28,156,438</u>
Investments, net of current expected sales and maturities	22,711,804	20,898,195
Parish and school loans receivable	2,137,739	2,354,906
Less current maturities	<u>(40,000)</u>	<u>(356,000)</u>
Total loans less current maturities	<u>2,097,739</u>	<u>1,998,906</u>
Property and equipment, at cost	23,267,703	23,070,548
Less accumulated depreciation	<u>(12,831,884)</u>	<u>(12,481,845)</u>
Total property and equipment	<u>10,435,819</u>	<u>10,588,703</u>
Other assets	<u>2,609,484</u>	<u>2,607,073</u>
Total assets	<u><u>\$ 68,863,623</u></u>	<u><u>\$ 64,249,315</u></u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**
Consolidated Statements of Financial Position, continued
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Deposits in central finance, current expected withdrawals:		
Parishes	\$ 642,000	\$ 4,229,000
Cemetery operating deposits	304,000	794,000
Institutional deposits, principally prepaid tuition	25,900,000	24,200,000
Accounts payable, undistributed funds and other accruals	1,792,798	1,970,488
Deferred grant revenues	233,607	146,205
Current maturities of long-term debt	145,000	135,000
Total current liabilities	<u>29,017,405</u>	<u>31,474,693</u>
Deposits of parishes, schools and institutions, net of current expected withdrawals	13,336,842	9,161,160
Bonds payable, net of current maturities	4,270,000	4,415,000
Third-party endowments	18,154,670	18,097,099
Insurance program reserves	569,415	606,518
Accrued pension liability	1,360,842	85,917
Accrued other postretirement benefits	11,639,766	9,169,035
Total liabilities	<u>78,348,940</u>	<u>73,009,422</u>
Net assets (deficit):		
Restricted by donors:		
Temporarily restricted net assets	1,396,234	1,072,679
Permanently restricted net assets	4,755,932	4,669,567
Unrestricted:		
Designated	10,120,980	7,957,533
Undesignated	(25,758,463)	(22,459,886)
Total unrestricted net assets (deficit)	<u>(15,637,483)</u>	<u>(14,502,353)</u>
Total net assets (deficit)	<u>(9,485,317)</u>	<u>(8,760,107)</u>
Total liabilities and net assets	<u>\$ 68,863,623</u>	<u>\$ 64,249,315</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

*Consolidated Statements of Activities
Years Ended June 30, 2016 and 2015*

	2016	2015
Changes in unrestricted net assets:		
Revenues and other support:		
Cathedraticum	\$ 2,626,563	\$ 2,513,196
Donations and special collections	2,087,344	2,035,838
Grants	1,273,624	943,933
Investment income:		
Central finance	948,029	377,498
Other investment income	84,381	73,230
Oil and gas royalties	492,998	1,039,253
Program service and other income	13,408,636	13,478,259
Net assets released from restrictions	-	410,932
Total revenues and other support	<u>20,921,575</u>	<u>20,872,139</u>
Expenses:		
Program expenses:		
Formation ministries	2,601,679	3,058,559
Social ministries	1,824,296	1,789,645
Clergy and religious	2,095,480	2,456,543
Administration ministries	10,604,913	11,947,239
General and administrative expenses	1,838,830	2,397,743
Stewardship expenses	305,912	255,591
Total expenses	<u>19,271,110</u>	<u>21,905,320</u>
Change in net assets from operations	1,650,465	(1,033,181)
Nonoperating activities:		
Pension and postemployment benefit related changes other than net periodic pension and benefit cost	(2,785,595)	3,144,855
Increase (decrease) in unrestricted net assets	<u>(1,135,130)</u>	<u>2,111,674</u>
Changes in temporarily restricted net assets:		
Contributions	264,152	-
Interest income	59,403	47,149
Less net assets released from restrictions	-	(410,932)
Increase (decrease) in temporarily restricted net assets	<u>323,555</u>	<u>(363,783)</u>
Changes in permanently restricted net assets:		
Contributions	86,365	113,068
Increase (decrease) in permanently restricted net assets	<u>86,365</u>	<u>113,068</u>
Increase (decrease) in net assets	(725,210)	1,860,959
Net assets at beginning of year	<u>(8,760,107)</u>	<u>(10,621,066)</u>
Net assets at end of year	<u><u>\$ (9,485,317)</u></u>	<u><u>\$ (8,760,107)</u></u>

See notes to financial statements.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

*Consolidated Statements of Cash Flows
Years Ended June 30, 2016 and 2015*

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (725,210)	\$ 1,860,959
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized (gains) losses on investments, net change	(38,640)	566,930
Realized (gains) losses on investments	(202,738)	(206,985)
(Gain) loss on sale of property and equipment	-	(336,712)
Contributions restricted for long-term investment	(86,365)	(113,068)
Depreciation expense	370,648	406,665
Amortization of bond issuance cost	7,419	7,480
Changes in:		
Accounts receivable	(193,885)	147,678
ABA receivable	(9,972)	28,850
Accrued interest and mineral royalties receivable	41,589	(8,568)
Prepaid expenses and other assets	(143,162)	6,582
Accrued pension and postretirement benefits	3,795,756	(1,952,826)
Accounts payable	(214,793)	89,404
Deferred grant revenues	87,402	(18,789)
Net cash provided by (used in) operating activities	<u>2,688,049</u>	<u>477,600</u>
Cash flows from investing activities:		
Purchases of property and equipment	(217,764)	(1,828,802)
Proceed from sale of property and equipment	-	400,000
Purchases of investments	(116,961,501)	(94,886,906)
Proceeds from sale of investments	113,689,270	96,427,301
Decrease in loans to parishes and institutions, net	217,167	440,732
Net cash provided by (used in) investing activities	<u>(3,272,828)</u>	<u>552,325</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Contributions to Seminary Burses	42,340	79,443
Contributions to endowment funds	4,125	4,125
Perpetual care of cemetery crypts	39,900	29,500
	<u>86,365</u>	<u>113,068</u>
Other financing activities:		
Principal payments on bonds payable	(135,000)	(1,580,000)
Contribution to pension trust	(50,100)	(120,525)
Increase (decrease) in Central Finance deposits	1,798,682	171,336
Increase in endowments held for third parties	57,571	113,654
	<u>1,671,153</u>	<u>(1,415,535)</u>
Net cash provided by (used in) financing activities	<u>1,757,518</u>	<u>(1,302,467)</u>
Net (decrease) in cash and cash equivalents	<u>1,172,739</u>	<u>(272,542)</u>
Cash and cash equivalents at beginning of year	<u>2,423,349</u>	<u>2,695,891</u>
Cash and cash equivalents at end of year	<u>\$ 3,596,088</u>	<u>\$ 2,423,349</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest during the year on central finance deposits	\$ 774,659	\$ 748,744
Cash paid for interest on long-term debt	\$ 370,397	\$ 1,072,327

See notes to financial statements.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

Notes to Consolidated Financial Statements

1) Nature of Organization

The Diocese of Houma-Thibodaux (hereinafter "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 acting as a centralized ministry that coordinates several ministerial, outreach and administrative programs and functions for church-parishes and other Diocesan related operations located within the Diocese's boundaries encompassing the civil parishes of Terrebonne, Lafourche, parts of St. Mary, St. Martin and Iberia, and Grand Isle, Louisiana.

The Diocese derives support for its administrative operations primarily through Cathedralricum paid by Diocesan parishes to the Diocese. Cathedralricum is an assessment on parish ordinary income and certain extraordinary income. The Cathedralricum amount is set each year by the Diocese based on the prior years reported income. Support for other Diocesan operations is provided by several sources including, but not limited to: grants from other non-profit entities; special Diocesan-wide collections; individual contributors; governmental grants; and Diocesan subsidies, transfers, grants, and interest, dividends and net capital gains or (losses) earned and recognized on investments.

The accompanying financial statements include the programs and operations maintained by and directly under the administration of the Central Administrative Offices of the Diocese of Houma-Thibodaux, H-T Publishing Company (The Bayou Catholic), Lumen Christi Retreat Center, St. Joseph Cemetery, and the programs of Catholic Charities of the Diocese of Houma-Thibodaux, and also include certain assets which are owned by the Diocese and used in the operations of certain affiliates. These statements exclude the financial position and transactions of the parishes and missions, schools, cemeteries and other organizations which maintain separate accounts and carry on their own services and programs. These operations, which may or may not be separate corporations under civil law, are directly managed and controlled by their pastors or other responsible parties. Only those operations and offices that are directly controlled, managed, administered and financed through the Diocese Central Administrative Offices are included in these financial statements.

Internal transactions and balances, except for interest paid on funds deposited with Central Finance, have been eliminated in consolidation.

2) Summary of Significant Accounting Policies Used:

- a) Basis of Accounting. The accompanying financial statements of the Diocese have been prepared on the accrual basis of accounting.
- b) Basis of Presentation. The Diocese reports information regarding its financial position and activities according to three classes of net assets:
 1. Unrestricted Net Assets – net assets which are not restricted by donors.
 2. Temporarily Restricted Net Assets – net assets for which the use by the Diocese are restricted by the donors (a) to later periods of time or after specified dates or (b) to specific purposes.
 3. Permanently Restricted Net Assets – net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements. Income earned on these investments may be restricted for specific purposes.
- c) Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. For investments other than marketable securities with readily determinable fair values, the carrying value is either cost or fair value at the date of donation.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

Notes to Consolidated Financial Statements, continued

Investments in marketable debt and equity securities are diversified among high-credit quality securities in accordance with the investment policy of the Diocese. Investments are not insured by the trustee, Federal Deposit Insurance Corporation or any other government agency.

- d) Contributions and Pledges Receivable. The Diocese recognizes all contributions as income in the period received. Contributions are reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the contribution. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Diocese reports the support as unrestricted. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the contributions are recorded as unrestricted support. Contributed services are recognized at fair value, except for the work of volunteers for which no monetary value has been assigned.

Unconditional promises to give are recognized as revenue and as assets in the period in which the promise is made, and are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Allowances for uncollectible promises to give, if any, are based on management's evaluation of the collectability of such amounts.

- e) Property and Equipment. Property and equipment are recorded at cost or, when donated, at fair value. Additions and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Depreciation expense is computed principally by the straight-line method over the useful lives of the depreciable assets.
- f) Functional Expenses. The costs of providing various programs and other activities of the Diocese have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- g) Cash and Cash Equivalents. For the purpose of the Statement of Cash Flows, cash equivalents consist of cash in banks and highly liquid short-term investments with an original maturity of three months or less. Concentrations of credit risk with respect to cash and cash equivalents are considered limited due to the combination of federally-insured deposits and financial strength of the institutions that hold Diocesan deposits. The Diocese held bank deposits in excess of FDIC insurance in the amounts of \$2,274,622 and \$1,326,923 for the years ended June 30, 2016 and 2015, respectively.
- h) Income Taxes. The Diocese is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

Accounting standards require an entity to disclose and recognize the financial statement impact of uncertain tax positions when it is more likely than not that the position will not be sustained on examination. Management of the Diocese believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

- i) Use of Estimates. The preparation of 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 those estimates.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

Notes to Consolidated Financial Statements, continued

3) Central Finance

Under Diocesan Central Finance policies, the Parishes, Schools and Institutions within the Diocese are required to deposit all funds not immediately needed for current operations into the Diocese Central Finance Program. Balances on deposit earned interest at a rate of 1.0% per annum through June 30, 2016. Endowment funds may also be established by Parishes, Schools and Institutions within the Diocese. The establishment of endowment funds is governed by the Diocesan policy on endowments, and must be deposited with Central Finance. The deposits must be of a permanent nature and have restrictions as to the withdrawal of principal. Endowment funds earned interest at 2.0% per annum through June 30, 2016.

Certain Diocesan programs and funded operations also receive interest on surplus funds held by the Central Finance Program at the same rates earned by Parishes, Schools and Institutions. The interest received by funded operations is reported as revenue of other funded operations in the Statement of Activities.

Loans are available through the Central Finance Program. Parishes, Schools and Institutions pay 5% interest on outstanding loan balances to the Central Finance Program. Any surplus funds deposited into Central Finance by a Parish, School or Institution with an outstanding loan balance are applied as principal payments on the loan balance until the loan is paid in full.

Interest rates on Central Finance loans and deposits are set by management and are based on the expected rate of return on Diocesan investments, net of investment fees and expenses. Net investment income in excess of interest paid on funds on deposit may be paid to the Parishes, Schools and Institutions as additional interest at the end of the year at the discretion of the Bishop. The amount of additional interest paid to each Parish, School or Institution is based on the weighted average deposit balance of the Parish, School or Institution during the year and is called "profit sharing." Endowment funds are not eligible for profit sharing distributions. There were no profit sharing distributions for the years ended June 30, 2016 and 2015. The statement of activities and schedule below present investment return as interest and dividends earned and capital gains recognized. The full amount of interest expense incurred during the years ended June 30, 2016 and 2015 is reflected below and is included on the statement of activities.

Year ended June 30,:	2016	2015
Central finance income was earned as follows:		
Interest income:		
Parish and school loans	\$ 105,334	\$ 102,073
Investments and cash reserves	555,346	596,497
Dividend income	45,971	38,873
Realized gains (losses) on investments, net	202,738	206,985
Change in unrealized gains and losses on investments, net	38,640	(566,930)
Total central finance income	948,029	377,498
Central finance expense and subsidies were incurred as follows:		
Interest expense:		
Parish deposits	80,322	75,209
Cemetery deposits	56,631	55,690
Parish and school endowments	363,258	360,877
Diocesan endowments and programs	63,419	63,206
School and institution deposits	211,028	193,762
External money management and bank fees	113,185	140,844
Total central finance expenses and subsidies	887,843	889,588
Change in net assets - Central Finance	\$ 60,186	\$ (512,090)

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

Notes to Consolidated Financial Statements, continued

4) Funded Operations

The Diocese maintains several operations (some of which are separately incorporated) that are funded through separate collections and revenues. These collections and revenues are segregated in separate accounts in the Diocesan accounting system. The revenues and expenses incurred by the operations are kept separate for internal Diocesan reporting. The Diocese has adopted the policy to internally subsidize these operations when applicable. Funded operations having revenues in excess of expenditures are carried on the Diocese's balance sheet as unrestricted – designated net assets to be used in future operations of the particular funded operation.

5) Pledges Receivable – Annual Bishop's Appeal (ABA)

The ABA receivable represents commitments or unconditional promises to give from individuals as a result of the Annual Bishop's Appeal. Management considers the commitments to be fully collectible and accordingly, no allowance for uncollectible commitments is deemed necessary. All ABA receivables are due to be collected within one year of the balance sheet date.

6) Investments

Investments are summarized as follows:

Carrying value at June 30:	2016	2015
<u>Temporary cash investments:</u>		
Money market mutual funds and commercial paper	\$ 19,037,005	\$ 18,459,786
<u>Marketable equity securities:</u>		
Common stocks	2,634,993	2,540,838
<u>Marketable debt securities:</u>		
U.S. government securities	24,221,155	21,501,330
<u>Other investments:</u>		
Mission Diocese investment pool	2,626,960	2,504,550
Real estate	91,691	91,691
Total investments	48,611,804	45,098,195
Less investments in marketable debt securities expected to be sold to fund current expected deposit withdrawals	(25,900,000)	(24,200,000)
Investments, net of current expected withdrawals	<u>\$ 22,711,804</u>	<u>\$ 20,898,195</u>

Total investment return, which is reported as unrestricted income in the statement of activities, includes the components of Central Finance income reported in Note 3, plus interest earned on investments held outside the Central Finance program, as follows:

Years ended June 30:	2016	2015
Central finance investments	\$ 948,029	\$ 377,498
Other interest income	84,381	73,230
Total investment return	<u>\$ 1,032,410</u>	<u>\$ 450,728</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

Notes to Consolidated Financial Statements, continued

7) Property and Equipment

The following is a summary of property and equipment, at June 30, 2016 and 2015:

	2016	2015
Depreciable property:		
Buildings and improvements	\$ 17,015,517	\$ 16,849,523
Equipment	2,244,885	2,215,449
Vehicles	68,043	68,043
	<u>19,328,445</u>	<u>19,133,015</u>
Less: Accumulated depreciation	(12,831,884)	(12,481,845)
Net depreciable property	6,496,561	6,651,170
Non-depreciable property:		
Archives art collection	238,000	238,000
Land	3,417,847	3,416,122
Land - future parish sites	283,411	283,411
Net property and equipment	<u>\$ 10,435,819</u>	<u>\$ 10,588,703</u>

For the years ended June 30, 2016 and 2015, depreciation expense was reported in the Statement of Activities by functional category as follows:

	2016	2015
Depreciation expense by function:		
Program services	\$ 66,915	\$ 54,594
Supporting services	303,733	352,071
	<u>\$ 370,648</u>	<u>\$ 406,665</u>

8) Other Assets

Other assets are comprised of the following at June 30, 2016 and 2015:

	2016	2015
Perpetual care deposits in Cemeteries Trust	\$ 2,335,018	\$ 2,295,118
Series 2007 bond issuance costs, net of accumulated amortization	158,966	166,385
Mausoleum inventory	115,500	145,570
	<u>\$ 2,609,484</u>	<u>\$ 2,607,073</u>

9) Self-Insurance Programs

The Diocese operates several self-insurance programs in which the Diocese, its parishes, schools and apostolates participate. Following is a description of each:

Severance Pay Plan - The Diocese has established a Severance Pay Plan (SPP) covering all eligible employees of the Diocese, its parishes, schools and apostolates. Under the plan, eligible employees include all full-time or regular part-time employees with more than one year of service. Severance benefits are paid upon the termination of employment of an eligible employee by reason of lack of funds, lack of work, or the restructuring of or closing of a parish, school, department or apostolate. Under the plan, benefits range from two weeks' pay to six weeks' pay based on the employee's years of service. Premiums in excess of claims collected from the parishes, schools and apostolates are reported as a liability.

Louisiana Catholic Workers' Compensation Pool (LCWCP) - The Diocese participates in a cost-sharing, risk pool with three other Dioceses to cover claims resulting from employment-related accidents and

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injuries. Premiums are paid to the pool by the Dioceses based on total payroll costs for covered workers. The pool has entered into a stop-loss agreement with an insurance company to limit its losses to \$800,000 per occurrence and \$4,385,069 per policy year. After all outstanding claims are settled for a policy year, any excess of premiums collected over claims and other costs are refunded to the participating Dioceses in proportion to premiums paid to the pool for that policy year.

Mausoleum Insurance Program - This plan covers repairs and damage caused by fire or natural disasters to mausoleums at cemeteries operated by the parishes of the Diocese. The Diocesan Property and Casualty Insurance program covers damage caused by vandalism. The reserve is funded through premiums paid through the Diocesan Property and Casualty Insurance Program. At the end of the year, reserve adequacy is assessed. If reserves are adequate, the premiums credited to the reserve during the year are charged against the reserve and the balance is credited as a source of revenue to the Funded Operation- Cemeteries Office.

Property and Casualty Insurance Program - This plan covers repairs and damage caused by fire, natural disasters or other casualties to buildings and property owned by the Diocese and all parishes, schools and institutions within the Diocese. The Diocese has entered into a stop-loss agreement with an insurance company to limit its losses to \$25,000 on individual claims and \$200,000 in the aggregate for the fiscal year ended June 30, 2016. The Diocesan property and casualty insurance program is reported as a funded operation and the ending balance is included in unrestricted net assets.

Hospitalization Insurance Plan. Hospitalization insurance premiums are paid into the program by the Diocese, its parishes and institutions via a third-party administrator to provide coverage for employees, retirees, and their families. The Diocese has entered into a stop-loss agreement with an insurance company to limit its losses to \$175,000 on individual claims. From time to time during the year, the Diocese remits funds from this reserve to the third-party administrator to pay claims. When the third-party administrator accumulates excess funds, the funds are remitted to the Diocese for deposit into the reserve. The estimated liability for known and incurred but not reported claims was \$192,000 and \$286,000 for the years ended June 30, 2016 and 2015, respectively, and is included in accrued liabilities on the statement of financial position. The hospitalization insurance program is reported as a funded operation and the ending balance is included in unrestricted net assets.

10) Restrictions on Net Assets

Temporarily restricted net assets are the net assets of the Diocese that are restricted by donors for: (a) support of a particular operating activity, (b) investment for a specified term, (c) use in a specified future period, or (d) acquisition of long-lived assets.

Permanently restricted net assets represent the net assets of the Diocese restricted by donors for holdings of (a) assets, such as land or works of art, donated with stipulations that they be used for a specified purpose, be preserved, and not be sold, or (b) assets donated with the stipulation that they be invested to provide a permanent source of income.

Temporarily restricted net assets are available for the following purposes or periods, at June 30, 2016 and 2015:

	2016	2015
Perpetual Care Maintenance Reserve	\$ 180,064	\$ 125,894
Disaster Relief Fund	441,134	435,712
Future Parish Sites	218,600	218,600
Lafourche Charities Fund	282,700	282,700
Norma Liner Diaconate Fund	9,872	9,773
Msgr. Amedee Seminarian Education Fund	263,864	-
	<u>\$ 1,396,234</u>	<u>\$ 1,072,679</u>

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Permanently restricted net assets are restricted for the following purposes at June 30, 2016 and 2015:

	2016	2015
Seminary Burse Funds	\$ 1,572,071	\$ 1,529,731
Perpetual Care Deposit - Cemeteries Trust	2,335,018	2,295,118
Priest Retirement Endowment	227,125	227,125
Lumen Christi Endowment	94,421	94,421
Catholic Social Services Endowments	527,297	523,172
	<u>\$ 4,755,932</u>	<u>\$ 4,669,567</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors for permanent diaconate expenses and disaster relief in the amounts of \$0 and \$10,032 for the years ended June 30 2016 and 2015, respectively. In addition, the donor imposed time restriction on the use of the bishop's residence was removed during the year ended June 30, 2015.

11) Designated Net Assets

Designated net assets represent net assets that have no donor-imposed restrictions but have been designated by management for the following at June 30, 2016 and 2015:

	2016	2015
Priest Pension Fund	\$ 829,724	\$ 779,624
Evangelization Fund	62,475	63,795
Bishop's Grant Fund	1,575	1,675
Vehicle Replacement Fund	86,960	71,960
	<u>980,734</u>	<u>917,054</u>
Net assets of Funded Operations	9,140,246	7,040,479
	<u>\$ 10,120,980</u>	<u>\$ 7,957,533</u>

12) Pension and Other Postretirement Benefit Plans

The Diocese maintains several plans providing pension and other postretirement benefits to employees as follows.

A) Defined Contribution Plans.

The Diocese sponsors two defined contribution plans as follows:

401(a) Plan - The Diocese established a defined contribution 401(a) plan to accept rollover contributions from the participants in the Defined Benefit Plan that was terminated in 1997. No further employee or employer contributions will be made to this plan.

403(b) Plan - For all eligible employees, the Diocese will contribute 2% of salary to the plan and an additional 2% of salary to the plan if the employee agrees to participate at the minimum level of 2% of salary. The Diocesan contribution to the plan increases, based on length of service, to a maximum of 5% for employees with 20 or more years of service. Diocesan contributions to the plan were \$169,449 and \$188,506, for the years ended June 30 2016 and 2015, respectively.

B) Priests' Pension Fund.

The Diocese provides pension benefits to the retired priests of the Diocese under a plan that is not a qualified plan under the Internal Revenue Code and is not required to comply with the Employee Retirement Income Security Act of 1974.

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Summary of Principal Plan Provisions:

All incardinated priests of the Diocese of Houma-Thibodaux are eligible for participation in the plan. The normal retirement eligibility requirement is attainment of age 65. Under normal retirement, the participant is paid for life at a rate of \$61 per month times the participant's years of service up to 25 years. If the participant remains in service beyond age 65, an additional accrued benefit of \$75 per month will be accrued for each year of continued service. The monthly benefit paid to retirees and the monthly accrued benefits for active participants are generally adjusted every other year. Early retirement requires attainment of age 55. The benefit for early retirement is calculated in the same manner as that of normal retirement, but reduced by 5% for each year early retirement proceeds normal retirement. Participants are 100% vested in their accrued benefits after 5 years of service.

On October 12, 2007, the Diocese established the Priest Retirement Trust to hold plan assets. The proceeds of the 2007 Series bonds and investments previously designated for the payment of priest retirement benefits were deposited into the trust. Current plan benefits are funded by periodic employer contributions in conformance with minimum funding recommendations and maximum suggested limitations and earnings on plan assets. Additional funding is also provided by voluntary contributions by the Diocese from excess reserves, proceeds of life insurance policies on priests and private donations.

Information regarding the Plan's change in benefit obligation, change in plan assets, and the funded status of the Plan for the years ended June 30, 2016 and 2015 follow:

	2016	2015
Priest pension plan:		
Change in benefit obligation:		
Accumulated benefit obligation - beginning of year	\$ 7,027,045	\$ 7,185,224
Service cost	140,727	140,942
Interest cost	296,604	288,347
Actuarial (gain) loss	959,200	(306,188)
Benefits paid	(238,666)	(281,280)
Accumulated benefit obligation - end of year	8,184,910	7,027,045
Change in plan assets:		
Fair value of plan assets - beginning of year	6,941,128	6,959,183
Employer contributions	50,100	120,525
Actual return on assets	71,506	142,700
Benefits paid	(238,666)	(281,280)
Fair value of plan assets - end of year	6,824,068	6,941,128
Funded status (deficit)	\$ (1,360,842)	\$ (85,917)
	2016	2015
Items not yet recognized as a component of net periodic pension cost:		
Transition obligation (asset)	\$ 599,465	\$ 662,171
Net actuarial (gain) loss	833,807	(532,617)
Total	\$ 1,433,272	\$ 129,554

The actuarial present value of the accumulated benefit obligation was computed using discount rates of 3.3% and 4.3% for the years ended June 30, 2016 and 2015, respectively. The net periodic pension cost was computed using discount rates of 4.3% and 4.1% for the years ended June 30, 2016 and 2015, respectively. Benefit payments are based on years of service rather than compensation levels, and therefore, no expected annual compensation increases are included in the valuation.

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Net periodic pension cost for the years ended June 30, 2016 and 2015 included the following components:

	2016	2015
Service cost	\$ 140,727	\$ 140,942
Interest cost	296,604	288,347
Expected return on plan assets	(478,730)	(481,048)
Amortization of transition obligation	62,706	62,706
	<u>\$ 21,307</u>	<u>\$ 10,947</u>

Pension changes other than net periodic pension costs are reported in the Statement of Activities as a change in unrestricted net assets for the years ended June 30, 2016 and 2015 follow:

	2016	2015
Net actuarial (gain) loss	\$ 1,366,424	\$ 32,160
Amortization of transition obligation	(62,706)	(62,706)
(Increase) decrease in net assets	<u>\$ 1,303,718</u>	<u>\$ (30,546)</u>

Future benefit payments expected to be paid in each of the next five fiscal years and in the aggregate for the following five years are as follows:

Year ending June 30,	2017	\$ 407,000
	2018	396,000
	2019	409,000
	2020	408,000
	2021	412,000
	2022-2026	2,127,000

Plan Assets

The assets of the plan are invested primarily in a diversified mix of equities and fixed income securities. The assets are managed by independent investment managers in accordance with stated investment policies. The investment objective of the pension fund is to equal or exceed a benchmark rate of return comprised of appropriate marked indices and to achieve above-median ranking in a universe of balanced funds with similar investment policies over reasonable measurement periods.

The following tables summarize the plan assets within the fair value hierarchy (see note 15), at June 30:

At June 30, 2016:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 671,133	\$ -	\$ -	\$ 671,133
US Government securities	-	758,965	-	758,965
Common Stocks	2,666,899	-	-	2,666,899
Institutional mutual funds:				
Equity funds	427,678	-	-	427,678
Fixed income funds	1,712,452	-	-	1,712,452
Asset-backed securities	-	586,941	-	586,941
Total investments	<u>\$ 5,478,162</u>	<u>\$ 1,345,906</u>	<u>\$ -</u>	<u>\$ 6,824,068</u>

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At June 30, 2015:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 331,163	\$ -	\$ -	\$ 331,163
US Government securities	-	943,516	-	943,516
Common Stocks	2,971,025	-	-	2,971,025
Institutional mutual funds:				
Equity funds	676,042	-	-	676,042
Fixed income funds	1,614,301	-	-	1,614,301
Asset-backed securities	-	405,081	-	405,081
Total investments	<u>\$ 5,592,531</u>	<u>\$ 1,348,597</u>	<u>\$ -</u>	<u>\$ 6,941,128</u>

The actual asset allocations and the target allocation ranges by asset category for pension plan assets were as follows for the year ended June 30, 2016:

	<u>Actual</u>	<u>Target allocation range</u>
Cash and cash equivalents	10%	0% - 10%
Equity securities	45%	50% - 65%
Fixed income securities	45%	35% - 50%

The expected long-term rate of return assumption of 7.0% is selected by management as a reasonable expectation based on historical performance of both the pension fund and the investment markets in general. The selection of the rate is periodically evaluated by the Diocese as the administrator of the pension plan.

C). Priests' Other Postretirement Benefits.

The Diocese provides health insurance, long-term care benefits and long-term disability benefits for its retired priests. The benefits provided are coordinated with Medicare and/or are supplemented with other insurance policies provided by the Diocese. The benefits are funded on a pay-as-you-go basis.

Information regarding the Plan's change in benefit obligation, change in plan assets, and the funded status of the Plan for the years ended June 30, follows:

	<u>2016</u>	<u>2015</u>
Change in benefit obligation:		
Accumulated benefit obligation - beginning of year	\$ 9,169,035	\$ 11,102,262
Service cost	320,330	331,943
Interest cost	408,872	474,383
Actuarial (gain) loss	1,894,759	(2,610,154)
Benefits paid	<u>(153,230)</u>	<u>(129,399)</u>
Accumulated benefit obligation - end of year	11,639,766	9,169,035
Change in plan assets:		
Fair value of plan assets - beginning of year	-	-
Employer contributions	153,230	129,399
Benefits paid	<u>(153,230)</u>	<u>(129,399)</u>
Fair value of plan assets - end of year	-	-
Funded status (deficit)	<u>\$ (11,639,766)</u>	<u>\$ (9,169,035)</u>

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	<u>2016</u>	<u>2015</u>
Items not yet recognized as a component of net periodic benefit cost:		
Transition obligation (asset)	\$ 7,020,675	\$ 7,433,656
Net actuarial (gain) loss	1,587,385	(307,374)
Total	<u>\$ 8,608,060</u>	<u>\$ 7,126,282</u>

The actuarial present value of the accumulated benefit obligation was computed using discount rates of 3.6% and 4.5% for the years ended June 30, 2016 and 2015, respectively. The net periodic pension cost was computed using discount rates of 4.5% and 4.3% for the years ended June 30, 2016 and 2015, respectively.

Net periodic benefit cost for the years ended June 30, included the following components:

	<u>2016</u>	<u>2015</u>
Net periodic benefit cost:		
Service cost	\$ 320,330	\$ 331,943
Interest cost	408,872	474,383
Amortization of experience (gain) loss	-	91,174
Amortization of transition obligation	412,981	412,981
	<u>\$ 1,142,183</u>	<u>\$ 1,310,481</u>

Benefit obligation changes other than net periodic benefit costs are reported in the Statement of Activities as a change in unrestricted net assets as follows:

	<u>2016</u>	<u>2015</u>
Changes other than net periodic benefit cost:		
Net actuarial (gain) loss	\$ 1,894,759	\$ (2,701,328)
Amortization of transition obligation	(412,981)	(412,981)
(Increase) decrease in net assets	<u>\$ 1,481,778</u>	<u>\$ (3,114,309)</u>

The initial annual healthcare cost trend rate is 8.0%, decreasing annually by 0.75% to an ultimate rate of 5% per year. A one-percentage-point change in the assumed health care cost trend rates would have the following effects as of June 30, 2016:

	<u>Increase of 1%</u>	<u>Current rate</u>	<u>Decrease of 1%</u>
Service cost	\$ 412,497	\$ 320,330	\$ 251,156
Interest cost	486,392	408,872	346,847
Accumulated Benefit Obligation	14,050,155	11,639,766	9,743,981

Future benefit payments expected to be paid in each of the next five fiscal years and in the aggregate for the following five years are as follows:

Year ended June 30,	2017	\$ 184,000
	2018	209,000
	2019	238,000
	2020	286,000
	2021	316,000
	2022-2026	2,027,000

13) Long-Term Debt

On July 1, 2007, the Roman Catholic Church of the Diocese of Houma-Thibodaux (the Issuer) issued \$6,480,000 The Roman Catholic Church of the Diocese of Houma-Thibodaux Variable Rate Demand Bonds

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Series 2007 (the Series 2007 Bonds) pursuant to the terms and provisions of an Indenture of Trust between the Issuer and Regions Bank (the Trustee).

The Series 2007 Bonds are issued pursuant to the terms and provisions of an Indenture of Trust (the Indenture). The proceeds of the Series 2007 Bonds are for the payment of (i) a portion of the Issuer's unfunded pension liabilities, and (ii) the costs of issuing the Series 2007 Bonds.

The Series 2007 Bonds will bear interest at a variable (market) rate of interest payable on the first business day of each month, commencing on November 1, 2007, due through December 1, 2037. The interest rate is repriced weekly.

On January 2, 2011, Capital One Public Funding, LLC (COPF) purchased the Series 2007 bonds and the Indentures were amended. Under the amended Indentures, the interest rate was modified to equal 65% of LIBOR plus 3.0% on the Series 2007 bond. The amended Indentures also include "Put Provisions" allowing COPF to tender the bonds in 2015, 2020, 2025 and 2030 at a purchase price equal to the principal amount plus accrued interest on the Put Date, provided that COPF has given written notice not less than twelve (12) months prior to the proposed Put Date. The amended Indentures also eliminate the letters of credit securing the bonds and include provisions for optional redemptions at the option of the Issuer. The annual mandatory redemption schedules in the Original Indentures were not modified.

Long-term debt consists of the following at June 30, 2016:

	2016	2015
\$6,480,000 variable rate bonds dated November 1, 2007; due at various intervals through December 1, 2037; initial rate of 5.19%	\$ 4,415,000	\$ 4,550,000
Less current maturities	(145,000)	(135,000)
Long-term debt, net of current maturities	<u>\$ 4,270,000</u>	<u>\$ 4,415,000</u>

Pursuant to the Reimbursement Agreement, the Bonds mature as follows:

Year Ending June 30,	Series 2007 Principal Amount
2017	\$ 145,000
2018	155,000
2019	160,000
2020	170,000
2021	180,000
2022 and thereafter	<u>3,605,000</u>
	<u>\$ 4,415,000</u>

Interest Rate Swap Agreement

Objective of the interest rate swap: In order to hedge exposure to interest rate fluctuations on the Bonds, the Diocese entered into an interest rate swap agreement with Allied Irish Banks, p.l.c (the "Provider") as more fully described in the Master Agreement, Schedule to the Master Agreement and Confirmation dated November 28, 2006 (the "Swap Documents"). The Diocese is liable to the Provider to make swap payments and bond payments pursuant to the terms of the bond documents. Capitalized terms used herein but not defined shall have the meaning set forth in the Swap Documents.

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Terms: Under the terms of the Swap, the Diocese pays a fixed rate 5.19% on the Series 2007 bonds, and the Provider pays a variable rate equal to 75% of the 1-month USD-LIBOR rate, as more fully described in the Swap Documents.

Fair Value: The fair value of the swap agreements as of June 30, 2016, which is not reported in the financial statements, was \$1,679,446 in favor of the Provider.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2016, the Diocese is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Diocese would be exposed to credit risk in the amount of the swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rates for both the swap and the bonds are based on LIBOR; therefore, the Diocese is not subject to basis risk.

Termination Risk: The Diocese or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap agreement may be terminated if either party fails to make payment, when due, under the swap agreement; breaches the agreement; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Diocese would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The Diocese is not exposed to rollover risk because the swap terminates in conjunction with the maturity of the associated bonds.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the bonds are outstanding. The Diocese has entered into this fixed rate swap agreement to mitigate interest risk associated with the underlying variable rate bonds.

14) Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Although the exchange price concept is not new, the new definition focuses on the exit price as opposed to the entry price that would be paid to acquire an asset or received to assume a liability. The standard also emphasizes that fair value is a market-based measurement and not an entity-specific measurement and establishes a hierarchy to prioritize the inputs that can be used in the fair value measurement process. The inputs in the three levels of this hierarchy are described as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices. This would include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs, to the extent that observable inputs are unavailable. This allows for situations in which there is little or no market activity for the asset or liability at the measurement date.

The Diocese measures temporary cash investments and investments in marketable debt and marketable equity securities at fair value on a recurring basis and are summarized below:

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(in thousands)

	Carrying Value	June 30, 2016 Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investment securities:				
Temporary cash investments	\$ 19,037	\$ -	\$ 19,037	\$ -
Marketable debt securities	24,221	-	24,221	-
Marketable equity securities	2,635	-	2,635	-
Total investments reported at fair value	45,893	\$ -	\$ 45,893	\$ -
Other investments carried at cost	2,719			
Total investments	<u>\$ 48,612</u>			

(in thousands)

	Carrying Value	June 30, 2015 Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investment securities:				
Temporary cash investments	\$ 18,460	\$ -	\$ 18,460	\$ -
Marketable debt securities	21,501	-	21,501	-
Marketable equity securities	2,541	-	2,541	-
Total investments reported at fair value	42,502	\$ -	\$ 42,502	\$ -
Other investments carried at cost	2,596			
Total investments	<u>\$ 45,098</u>			

15) Endowments

Endowment funds consist of net assets held in perpetuity pursuant to donor-imposed restrictions for the purposes of priest retirement costs, seminary tuition and other expenses related to the education of candidates for the priesthood, perpetual care of mausoleums, Catholic Charities programs, and operating expenses of Lumen Christi Retreat Center, and unrestricted net assets designated for priest retirement costs by management. The endowment funds are held in pooled investment accounts, along with other Diocesan funds and funds held for affiliates. Interest is paid on Diocesan endowment funds in accordance with Central Finance policies as explained in Note 3.

The Diocese has interpreted state law as requiring the preservation of original corpus of the permanent endowment funds unless explicit donor stipulations specify how net appreciation must be used. The long-term objective of the Diocese's investment policy is to preserve the purchasing power of the net assets and maintain an average annual total return at or above the level of spending and fees. Adequate liquidity shall be maintained to provide distributions as stipulated in the endowment agreement.

Changes in endowment fund net assets for the year ended June 30, 2016 are as follows:

	Unrestricted	Permanently Restricted	Total
Net assets, June 30, 2013	\$ 759,624	\$ 4,556,499	\$ 5,316,123
Contributions	20,000	113,068	133,068
Net assets, June 30, 2015	779,624	4,669,567	5,449,191
Contributions	50,100	86,365	136,465
Net assets, June 30, 2016	<u>\$ 829,724</u>	<u>\$ 4,755,932</u>	<u>\$ 5,585,656</u>

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16) Commitments

The Diocese has contractual obligations and commitments outstanding at June 30, 2016 for renovations or additions to Diocesan parishes, schools and institutions properties for approximately \$1,620,000. Of the total contract obligations, approximately \$332,000 had been paid as of June 30, 2016 and \$1,288,000 remains to be advanced to the parishes and institutions by way of Central Finance deposit withdrawals or loans.

17) Contingencies

The Diocese is named as defendant in various lawsuits arising from its operations. While the outcome of these lawsuits and threatened litigation cannot be predicted with certainty, management does not expect these matters to have a material adverse effect on the financial condition of the Diocese.

There is no loss accrual provision associated with litigation or threatened litigation contained in the financial statements as management cannot reasonably estimate the range of possible loss, if any.

18) Stewardship and Development

The Diocese has three stewardship and development programs. The first is the Annual Bishop's Appeal, the second is the Stewardship Program for the benefit of parishes within the Diocese and the third is the Catholic School Development Program. The Annual Bishop's Appeal is a program to raise funds for discretionary use by the Diocese in support of various diocesan, school and parish programs. The Stewardship Program is coordinated by the Diocesan Stewardship Office to assist Parishes of the Diocese in implementing a sacrificial giving program for the benefit of the Parishes. The Catholic School Development Program is coordinated by the Diocesan Office of Catholic Schools to assist the schools of the Diocese in their development efforts.

20) Program Expenses

Program expenses are grouped by the Diocesan Departments of the Curia as reported in the Diocesan Catholic Directory as follows:

Formation Ministries are focused on catechesis and evangelization. The ministries and offices included in the Department of Formation Ministries provide support to the parishes and schools throughout the Diocese for the formation of the people of God into vibrant, Eucharistic communities.

Social Ministries provide compassionate service to people in need, promote Catholic social teaching, advocate for those whose voice is not heard, organize people who feel powerless to improve their lives, and call the entire church and all people of good will to establish a more just society.

The Department of Clergy and Religious provides for the continuing education of the clergy, permanent diaconate, men and women religious, and seminarians.

Administration Ministries provide administrative support and assistance to parishes, schools, institutions and other departments within the Diocese.

21) Subsequent Events

Management evaluates events subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through November 4, 2016, the date the financial statements were available for issuance.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU
Schedule of Revenues and Functional Expenses
Year Ended June 30, 2016

	Program revenues and expenses					
	Formation Ministries	Social Ministries	Clergy and Religious	Administration Ministries	Total Program	General and Administrative
Revenues:						Stewardship
Cathedralium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations and grants	540,342	1,320,114	331,890	6,200	2,198,546	949,193
Investment income	-	28,322	30,289	973,799	1,032,410	-
Oil and gas royalties	-	-	-	-	-	492,998
Program service and other income	900,741	339,050	21,568	11,956,263	13,217,622	191,014
Net assets released from restrictions	-	-	-	-	-	-
Total revenues	1,441,083	1,687,486	383,747	12,936,262	16,448,578	3,523,804
Expenses:						Stewardship
Salaries - lay personnel	819,148	623,855	62,067	848,704	2,353,774	245,875
Salaries - religious	147,685	33,765	55,757	16,125	253,332	27,435
Payroll taxes	59,414	44,367	4,611	54,352	162,744	15,709
Group insurance	184,560	160,318	18,834	181,076	544,788	64,951
Group insurance - retired priests	-	-	1,155,381	-	1,155,381	-
Pension and benefits	47,481	33,817	24,887	44,939	151,124	13,454
Business allowance/reimbursement	75,455	32,835	27,279	32,390	167,959	19,608
Conference and travel	37,333	37,065	18,288	3,951	96,637	6,633
Program expenses	777,406	267,565	651,185	8,236,100	9,932,256	28,501
Supplies	38,228	50,609	24,128	49,589	162,554	23,345
Maintenance and repair	1,645	98,984	12,981	121,565	235,175	77,285
Insurance	-	34,725	-	211	34,936	-
Occupancy expenses	36,164	80,808	9,926	79,449	206,347	52,278
Other operating expenses	133,280	55,475	15,420	155,133	359,308	458,549
Copying and printing	161,219	275	-	-	161,494	31,976
Papal quota and Catholic Conference	-	-	-	-	-	69,684
Contributions and grants	79,592	-	-	-	79,592	9,095
Depreciation	3,069	44,639	12,535	6,671	66,914	303,615
Central finance interest expense	-	-	-	774,658	774,658	-
Emergency assistance and disaster relief	-	202,652	-	-	202,652	-
Telephone	-	22,542	2,201	-	24,743	13,020
Bond interest and amortization	-	-	-	-	-	377,817
Total expenses	2,601,679	1,824,296	2,095,480	10,604,913	17,126,368	1,838,830
Excess (deficiency) of revenues over expenses	\$ (1,160,596)	\$ (136,810)	\$ (1,711,733)	\$ 2,331,349	\$ (677,790)	\$ 643,281
						\$ 1,650,465

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Revenues and Expenses - Formation Ministries
Year Ended June 30, 2016

	Formation	Family Ministries	Worship	Catholic Schools	Religious Education	Pastoral Staffing
Revenues:						
Cathedraticum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations and grants	-	18,000	-	152,021	16,112	8,000
Investment income	-	-	-	-	-	-
Oil and gas royalties	-	-	-	-	-	-
Program service and other income	-	82,242	3,260	113,590	29,664	-
Net assets released from restrictions	-	-	-	-	-	-
Total revenues	-	100,242	3,260	265,611	45,776	8,000
Expenses:						
Salaries - lay personnel	21,375	115,120	15,482	166,909	76,321	15,499
Salaries - religious	-	-	18,160	-	-	-
Payroll taxes	1,601	7,519	1,127	12,929	5,533	972
Group insurance	1,803	28,579	16,617	21,182	14,412	4,281
Group insurance - retired priests	-	-	-	-	-	-
Pension and benefits	1,496	7,563	1,776	7,778	4,650	977
Business allowance/reimbursement	1,539	8,100	9,840	11,575	8,100	256
Conference and travel	1,446	1,242	1,916	3,824	195	-
Program expenses	7,956	73,242	7,022	155,054	30,447	-
Supplies	-	301	450	339	593	-
Maintenance and repair	-	320	763	107	315	80
Insurance	-	-	-	-	-	-
Occupancy expenses	-	-	-	-	-	-
Other operating expenses	-	135	4,704	37,644	866	-
Copying and printing	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-
Depreciation	-	367	-	-	-	-
Central finance interest expense	-	-	-	-	-	-
Emergency assistance and disaster relief	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Bond interest and amortization	-	-	-	-	-	-
Total expenses	37,216	242,488	77,857	417,341	141,432	22,065
Excess (deficiency) of revenues over expenses	\$ (37,216)	\$ (142,246)	\$ (74,597)	\$ (151,730)	\$ (95,656)	\$ (14,065)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Revenues and Expenses - Formation Ministries
Year Ended June 30, 2016

	Conference Office	Evangelization	Youth Ministries	ABA Grant Program	Communications	Bayou Catholic	Total
Revenues:							
Cathedralium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations and grants	20,375	266,708	10,900	-	22,057	26,169	540,342
Investment income	-	-	-	-	-	-	-
Oil and gas royalties	-	-	-	-	-	-	-
Program service and other income	292,197	887	111,322	-	-	267,579	900,741
Net assets released from restrictions	-	-	-	-	-	-	-
Total revenues	312,572	267,595	122,222	-	22,057	293,748	1,441,083
Expenses:							
Salaries - lay personnel	39,043	-	79,574	-	54,931	234,894	819,148
Salaries - religious	-	129,525	-	-	-	-	147,685
Payroll taxes	2,808	-	6,608	-	4,082	16,235	59,414
Group insurance	7,106	31,099	15,487	-	7,057	36,937	184,560
Group insurance - retired priests	-	-	-	-	-	-	-
Pension and benefits	1,747	-	4,188	-	3,197	14,109	47,481
Business allowance/reimbursement	-	4,510	8,100	-	2,113	21,322	75,455
Conference and travel	8,629	875	15,767	-	-	3,439	37,333
Program expenses	145,031	156,854	43,884	-	125,643	32,273	777,406
Supplies	15,761	77	15,512	-	-	5,195	38,228
Maintenance and repair	60	-	-	-	-	-	1,645
Insurance	-	-	-	-	-	-	-
Occupancy expenses	28,664	-	7,500	-	-	-	36,164
Other operating expenses	55,067	497	26,478	-	2,106	5,783	133,280
Copying and printing	15	-	-	-	-	161,204	161,219
Papal quota and Catholic Conference	-	-	-	-	-	-	-
Contributions and grants	-	-	-	79,592	-	-	79,592
Depreciation	-	-	169	-	2,533	-	3,069
Central finance interest expense	-	-	-	-	-	-	-
Emergency assistance and disaster relief	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-
Bond interest and amortization	-	-	-	-	-	-	-
Total expenses	303,931	323,437	223,267	79,592	201,662	531,391	2,601,679
Excess (deficiency) of revenues over expenses	\$ 8,641	\$ (55,842)	\$ (101,045)	\$ (79,592)	\$ (179,605)	\$ (237,643)	\$ (1,160,596)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Revenues and Expenses - Social Ministries
Year Ended June 30, 2016

	Hospital Chaplain	Assisi Bridge House	ABH Phase IV	St. Lucy Child Care Center	Disaster Services	Catholic Housing	Micro Enterprise	Foster Grandparent	Catholic Social Services	Total
Revenues:										
Cathedralium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations and grants	-	211,975	22,794	116,985	43,683	15,368	-	307,384	601,925	1,320,114
Investment income	-	-	-	6,766	-	5,192	3,090	29	13,245	28,322
Oil and gas royalties	-	-	-	-	-	-	-	-	-	-
Program service and other income	-	44,051	8,869	215,307	-	-	-	-	70,823	339,050
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-
Total revenues	-	256,026	31,663	339,058	43,683	20,560	3,090	307,413	685,993	1,687,486
Expenses :										
Salaries - lay personnel	-	107,780	12,500	146,059	4,841	54,884	30,690	46,175	220,926	623,855
Salaries - religious	33,765	-	-	-	-	-	-	-	-	33,765
Payroll taxes	-	8,858	-	10,516	370	3,663	2,341	2,862	15,757	44,367
Group insurance	24,150	29,478	-	51,996	-	12,180	2,708	9,472	30,334	160,318
Group insurance - retired priests	-	-	-	-	-	-	-	-	-	-
Pension and benefits	4,904	6,265	-	5,083	-	3,436	1,066	2,580	10,483	33,817
Business allowance/reimbursement	19,270	810	-	1,126	-	68	-	1,202	10,359	32,835
Conference and travel	-	6,708	-	311	-	1,898	-	24,839	3,309	37,065
Program expenses	360	149	-	40,565	-	76	-	206,698	19,717	267,565
Supplies	-	2,901	-	25,762	-	1,702	279	1,252	18,713	50,609
Maintenance and repair	-	23,929	-	26,386	1,452	-	-	5,315	41,902	98,984
Insurance	-	13,100	300	-	-	-	-	-	21,325	34,725
Occupancy expenses	-	12,656	11,396	11,612	-	3,500	1,440	5,590	34,614	80,808
Other operating expenses	-	18,897	-	1,723	27,000	643	73	150	6,989	55,475
Copying and printing	-	-	-	-	-	-	-	275	-	275
Papal quota and Catholic Conference	-	-	-	-	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-	-	-	-
Depreciation	-	13,574	-	3,517	-	209	209	334	26,796	44,639
Central finance interest expense	-	-	-	-	-	-	-	-	-	-
Emergency assistance and disaster relief	-	4,097	-	-	9,600	5,500	-	-	183,455	202,652
Telephone	-	1,076	-	3,504	420	1,732	1,732	2,103	11,975	22,542
Bond interest and amortization	-	-	-	-	-	-	-	-	-	-
Total expenses	82,449	250,278	24,196	328,160	43,683	89,491	40,538	308,847	656,654	1,824,296
Excess (deficiency) of revenues over expenses	\$ (82,449)	\$ 5,748	\$ 7,467	\$ 10,898	\$ -	\$ (68,931)	\$ (37,448)	\$ (1,434)	\$ 29,339	\$ (136,810)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Revenues and Expenses - Clergy and Religious
Year Ended June 30, 2016

	Seminarian Formation	Vocations	Permanent Diaconate	Continuing Education	Bishop's Residence	Bishop Emeritus	Retirement and Other Clergy Benefits	Total
Revenues:								
Cathedralicum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations and grants	243,704	80,708	3,008	-	-	-	4,470	331,890
Investment income	30,289	-	-	-	-	-	-	30,289
Oil and gas royalties	-	-	-	-	-	-	-	-
Program service and other income	1,388	-	-	20,180	-	-	-	21,568
Net assets released from restrictions	-	-	-	-	-	-	-	-
Total revenues	275,381	80,708	3,008	20,180	-	-	4,470	383,747
Expenses:								
Salaries - lay personnel	-	45,737	-	-	16,330	-	-	62,067
Salaries - religious	-	-	-	13,500	-	-	42,257	55,757
Payroll taxes	-	3,377	-	-	1,234	-	-	4,611
Group insurance	-	13,548	-	291	4,995	-	-	18,834
Group insurance - retired priests	-	-	-	-	-	-	1,155,381	1,155,381
Pension and benefits	-	1,990	-	675	718	-	21,504	24,887
Business allowance/reimbursement	-	-	-	-	-	8,100	19,179	27,279
Conference and travel	11,715	1,722	-	4,851	-	-	-	18,288
Program expenses	530,146	13,090	986	106,963	-	-	-	651,185
Supplies	7,636	26	62	-	12,658	3,746	-	24,128
Maintenance and repair	-	-	-	-	4,784	8,197	-	12,981
Insurance	-	-	-	-	-	-	-	-
Occupancy expenses	-	-	-	-	6,389	3,537	-	9,926
Other operating expenses	10,435	1,218	1,960	185	1,622	-	-	15,420
Copying and printing	-	-	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	86	12,449	-	12,535
Central finance interest expense	-	-	-	-	-	-	-	-
Emergency assistance and disaster relief	-	-	-	-	-	-	-	-
Telephone	459	-	-	-	1,089	653	-	2,201
Bond interest and amortization	-	-	-	-	-	-	-	-
Total expenses	560,391	80,708	3,008	126,465	49,905	36,882	1,238,321	2,095,480
Excess (deficiency) of revenues over expenses	\$ (285,010)	\$ -	\$ -	\$ (106,285)	\$ (49,905)	\$ (36,882)	\$ (1,233,851)	\$ (1,711,733)

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**

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Schedule of Revenues and Expenses - Administration Ministries
Year Ended June 30, 2016

	Computer and Technology Support	Construction	Archives	Tribunal	Safe Environment	Cemeteries Trust
Revenues:						
Cathedralium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations and grants	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Oil and gas royalties	-	-	-	-	-	-
Program service and other income	119,371	-	15,127	4,140	-	29,266
Net assets released from restrictions	-	-	-	-	-	-
Total revenues	119,371	-	15,127	4,140	-	29,266
Expenses:						
Salaries - lay personnel	101,345	37,204	25,471	48,336	36,771	16,983
Salaries - religious	-	-	-	-	15,000	-
Payroll taxes	6,879	2,845	1,935	3,578	2,419	1,200
Group insurance	15,248	5,913	9,923	9,483	10,104	3,319
Group insurance - retired priests	-	-	-	-	-	-
Pension and benefits	5,637	2,628	1,202	2,323	2,305	834
Business allowance/reimbursement	8,100	4,894	-	-	414	810
Conference and travel	-	-	-	1,761	79	-
Program expenses	36,353	-	-	1,200	40,767	-
Supplies	10,163	25	1,838	190	530	-
Maintenance and repair	-	-	9,803	1,269	-	-
Insurance	-	-	-	-	-	-
Occupancy expenses	-	-	11,049	-	-	-
Other operating expenses	254	20	365	12,264	9,876	6,120
Copying and printing	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-
Depreciation	-	-	262	-	-	-
Central finance interest expense	-	-	-	-	-	-
Emergency assistance and disaster relief	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Bond interest and amortization	-	-	-	-	-	-
Total expenses	183,979	53,529	61,848	80,404	118,265	29,266
Excess (deficiency) of revenues over expenses	\$ (64,608)	\$ (53,529)	\$ (46,721)	\$ (76,264)	\$ (118,265)	\$ -

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Revenues and Expenses - Administration Ministries
Year Ended June 30, 2016

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Schedule 5

	Cemeteries Office	St. Joseph Cemetery	Property and Casualty Insurance	Central Finance	Lumen Christi	HR and Employee Benefits	Total
Revenues:							
Catharticum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Donations and grants	-	-	-	-	6,200	-	6,200
Investment income	-	23,878	-	948,029	1,892	-	973,799
Oil and gas royalties	-	-	-	-	-	-	-
Program service and other income	212,528	444,961	3,175,437	-	279,692	7,675,741	11,956,263
Net assets released from restrictions	-	-	-	-	-	-	-
Total revenues	212,528	468,839	3,175,437	948,029	287,783	7,675,741	12,936,262
Expenses:							
Salaries - lay personnel	74,073	158,846	55,217	-	172,235	122,223	848,704
Salaries - religious	-	-	-	-	1,125	-	16,125
Payroll taxes	5,106	9,591	3,695	-	9,657	7,447	54,352
Group insurance	13,620	33,177	9,820	-	47,669	22,800	181,076
Group insurance - retired priests	-	-	-	-	-	-	-
Pension and benefits	4,211	8,214	3,502	-	7,448	6,635	44,939
Business allowance/reimbursement	5,721	-	2,835	-	-	9,616	32,390
Conference and travel	-	-	(591)	-	-	2,702	3,951
Program expenses	-	153,532	2,699,957	-	65,336	5,238,955	8,236,100
Supplies	858	19,634	-	-	16,120	231	49,589
Maintenance and repair	68	34,475	-	-	75,820	130	121,565
Insurance	-	211	-	-	-	-	211
Occupancy expenses	-	12,167	-	-	56,233	-	79,449
Other operating expenses	221	2,888	-	113,185	2,306	7,634	155,133
Copying and printing	-	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-
Depreciation	-	-	-	-	6,343	66	6,671
Central finance interest expense	-	-	-	774,658	-	-	774,658
Emergency assistance and disaster relief	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-
Bond interest and amortization	-	-	-	-	-	-	-
Total expenses	103,878	432,735	2,774,435	887,843	460,292	5,418,439	10,604,913
Excess (deficiency) of revenues over expenses	\$ 108,650	\$ 36,104	\$ 401,002	\$ 60,186	\$ (172,509)	\$ 2,257,302	\$ 2,331,349

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
Schedule of Other Undistributed Funds
Year Ended June 30, 2016

Other Undistributed Funds				
	Beginning <u>Balance</u>	<u>Receipts</u>	Distributions <u>& Transfers</u>	Ending Balance (included in Accounts Payable - other)
<u>Diocesan and National Collections:</u>				
Campaign for Human Development	\$ 559	\$ 33,436	\$ 33,622	\$ 373
Holy Land	39,333	-	39,333	-
Peter's Pence	14,858	45,518	43,046	17,330
Latin American Church	33,375	31,724	65,092	7
Communications	14,037	25,504	27,375	12,166
Rice Bowl	23,176	24,226	23,649	23,753
Catholic University	960	26,820	27,519	261
Catholic Home Mission	31,992	34,836	34,413	32,415
Special Disaster Collections	55,687	90,328	96,549	49,466
Black and Indian Missions	33,062	35,354	69,120	(704)
Total Undistributed Funds - Other	<u>\$ 247,039</u>	<u>\$ 347,746</u>	<u>\$ 459,718</u>	<u>\$ 135,067</u>

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU
Schedule of Seminary Burse Funds
June 30, 2016 and 2015

The following is a listing of burse funds that have been received by the Diocese since the burse program was instituted by the Diocese. These funds are permanently restricted and the principal amount is to remain intact with only the income being used for the purpose of educating seminarians.

	<u>2016</u>	<u>2015</u>
Harry Booker	\$ 19,138	\$ 19,138
Judge & Mrs. L. P. Caillouet	15,000	15,000
Harvey Peltier	460,487	460,487
Endowment fund	119,137	119,137
Fr. Kasimir Chmielewski	4,839	4,839
Mr. George Fakier, Sr.	8,700	8,300
Fr. Peter Nies	5,900	5,900
Mr. & Mrs. John Marmande	1,500	1,500
Mr. Eledier Broussard	15,000	15,000
Msgr. Joseph Wester	15,000	15,000
Mr. & Mrs. Caliste Duplantis	50,000	50,000
Rev. Charles Menard	15,000	15,000
Rev. Kermit Trahan	15,000	15,000
H. Clay Duplantis, Sr. and Evelida Daspit Duplantis	25,000	25,000
Msgr. Raphael C. Labit	26,080	26,080
Dr. & Mrs. H. P. St. Martin	20,000	20,000
C. Remie Duplantis	25,000	25,000
Rev. Clemens Schneider	1,000	1,000
St. Jude	3,000	3,000
Mrs. Marie E. Duplantis	25,000	25,000
Maude and Edith Daspit	25,000	25,000
Rev. Henry Naquin	4,311	4,281
Rev. Anthony Russo	1,150	1,100
Rev. Adrian J. Caillouet	15,000	15,000
Rev. William M. Fleming	5,000	5,000
Bishop Warren L. Boudreaux	46,000	46,000
Msgr. George A. Landry	10,000	10,000
Diocesan K of C	17,894	17,894
Fr. Victor Toth	7,000	7,000
Catholic Daughters	4,705	4,705
Claude Bergeron	250	250
Anawim Community	3,400	3,100
J.R. Occhipinti	3,400	3,400
St. Joseph Italian Society	12,643	12,643
Mr. & Mrs. Arthur Naquin, Sr.	150	150
Mr. & Mrs. Galip Jacobs	3,060	3,060
Robert Wright, Jr.	15,000	15,000
Warren J. Harang, Jr.	17,100	16,900
Bishop L. Abel Caillouet	15,000	15,000
Monsignor Lucien J. Caillouet	15,000	15,000
Father James Louis Caillouet	15,000	15,000
Vincent Cannata, Sr.	15,000	15,000
Rev. Peter H Brewerton	2,600	2,600
Rev. Msgr. John L. Newfield	1,200	1,200
Orleans & Louelle Pitre	15,000	15,000
Minor Sr. and Lou Ella Cheramie	15,000	15,000
Mr. & Mrs. Anthony Cannata	500	500
Kelly Curole Frazier	3,611	3,611
Msgr. Stanislaus Manikowski	1,525	1,525
Mrs. Ayres A. Champagne	5,000	5,000
Harold & Gloria Callais Family	15,000	15,000
Joseph "Jay" Fertitta	4,450	4,250
Rev. Msgr. William Koninkx	5,700	5,300
Deacon Edward J. Blanchard	700	700
James J. Buquet Jr.	2,650	2,650
Msgr. John G. Keller	1,000	1,000
Msgr. Emile J. Fossier	1,545	1,545
Rev. H.C. Paul Daigle	1,900	1,900

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Seminary Burse Funds
June 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
Richard Peltier	15,300	15,300
Brides of the Most Blessed Trinity	6,165	6,165
Deacon Robert Dusse'	1,450	1,450
Deacon Willie Orgeron	800	800
Donald Peltier	58,000	58,000
St. Bernadette Men's Club	15,000	15,000
Peter W. Callais	15,000	15,000
Rev. Robert J. Sevigny	1,600	1,600
Msgr. Francis J. Legendre	16,645	16,645
Mr./Mrs. Love W. Pellegrin	5,000	5,000
Sidney J. & Lydie C. Duplantis	13,000	13,000
Deacon Raymond Lebouef	550	550
Paul Abdon Callais	15,000	15,000
Deacon Roland Dufrene	750	750
Rev. Gerard Hayes	4,786	4,786
Deacon Harold Kurtz	300	300
Abdon J. & Ada B. Callais	15,000	15,000
Dr. William Barletta	1,525	1,525
Mr./Mrs. C. Thomas Bienvenu	15,000	15,000
Rev. Guy Zeringue	4,400	4,400
Rev. Hubert C. Broussard	1,550	1,050
Mr./Mrs. Elie Klingman	8,960	8,720
Deacon Eldon Frazier	50	50
Deacon Nick Messina	50	50
The Peltier Foundation	60,000	60,000
Rev. Msgr. James B. Songy	3,075	3,075
Mrs. Shirley Conrad	15,000	7,000
Jacob Marcello	1,200	1,000
Ronnie Haydel	1,035	685
Willie & Emelda St. Pierre	2,000	2,000
Rev. Warren Chasoniol	50	50
Dr./Mrs. M V Marmande & Family	15,000	15,000
Juliette & Eugene Wallace	700	700
Deacon Connely Duplantis	1,175	625
Deacon Pedro Pulals	100	100
Rev. John Gallen	1,600	1,100
Ruby Pierce	800	800
Joseph Waitz Sr.	10,100	100
JDG Louis & Shirley Watkins	950	600
Anne Veron Aguirre	380	280
Alfrances Martin	1,650	1,650
Bernice Harang	400	200
Preston & Gladys Webre	1,650	1,150
Society of St. Joseph	5,000	2,000
Rev Msgr. Francis Amedee	5,150	4,830
Leighton Delahaye	15,000	15,000
Edna Disalvo	550	-
Bishop Shelton Fabre	15,000	-
Dean Joseph Chiasson	300	-
Rev. Joseph Tu Tran	100	-
	<u>\$ 1,572,071</u>	<u>\$ 1,529,731</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Parish Deposits
June 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
01 Amelia, St. Andrew	\$ 92,538	\$ 106,856
02 Chacahoula, St. Lawrence	100,766	62,562
03 Chackbay, Our Lady of Prompt Succor	201,629	178,615
05 St. Charles Community, St. Charles Borromeo	398,271	383,310
06 Morgan City, Holy Cross	164,208	237,780
07 Morgan City, Sacred Heart	508,459	570,847
08 Schriever, St. Bridget	10,302	51,343
09 Thibodaux, St. Genevieve	47,371	115,692
10 Thibodaux, St. John	161,529	111,482
11 Thibodaux, St. Joseph	790,446	732,377
12 Kraemer, St. Lawrence the Martyr	9,468	2,731
14 Mathews, St. Hilary of Poitiers	339,592	384,882
15 Lockport, Holy Savior	67,686	7,092
16 Larose, Our Lady of the Rosary	218,065	132,808
17 Cut Off, Sacred Heart	73,717	90,224
18 Galliano, St. Joseph	366,551	345,895
19 Golden Meadow, Our Lady of Prompt Succor	722,112	691,364
20 Grand Isle, Our Lady of the Isle	394,098	401,907
21 Bayou Black, St. Anthony	91,098	197,409
23 Bourg, St. Ann	348,502	348,858
24 Chauvin, St. Joseph	136,367	136,265
25 Houma, Holy Family	224,568	390,155
26 Houma, Annunziata	56,506	34,702
27 Houma, Holy Rosary	62,871	31,237
28 Houma, Maria Immacolata	189,441	113,903
30 Houma, St. Francis de Sales	555,429	310,714
31 Houma, St. Gregory	83,637	62,678
32 Montegut, Sacred Heart	72,966	71,480
34 Theriot, St. Eloi	126,014	134,391
35 Thibodaux, St. Thomas	137,433	95,307
37 Choctaw, St. James Mission	22,351	32,708
38 Thibodaux, St. Luke	40,033	-
39 Amelia, Thanh Gia (Holy Family)	513,257	531,496
40 Stephenville, St. Rosalie Mission	80,382	57,442
41 Gheens, The Community of St. Anthony	139,581	109,173
42 Thibodaux, Christ the Redeemer	327,223	330,309
43 Houma, St. Lucy	119,280	106,912
	<u>\$ 7,993,748</u>	<u>\$ 7,702,906</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
*Schedule of Parish and School Loans Receivable
June 30, 2016 and 2015*

		<u>2016</u>	<u>2015</u>
13	Raceland, St. Mary	\$ 1,574,837	\$ 1,520,878
22	Houma, St. Louis	66,378	94,934
29	Houma, St. Bernadette Soubirous	386,743	333,716
33	Pointe-aux-Chenes, St. Charles	107,712	49,128
38	Thibodaux, St. Luke	2,069	22,335
154	Thibodaux, Edward Douglas White High School	<u>-</u>	<u>333,915</u>
		<u>\$ 2,137,739</u>	<u>\$ 2,354,906</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**

Schedule of Institutional Deposits

June 30, 2016 and 2015

		<u>2016</u>	<u>2015</u>
06	Morgan City, Holy Cross	\$ 1,196,105	\$ 1,150,713
09	Thibodaux, St. Genevieve	2,476,932	2,337,906
11	Thibodaux, St. Joseph	3,347,693	3,394,675
13	Raceland, St. Mary's Nativity	734,561	189,876
15	Lockport, Holy Savior	481,169	546,582
16	Larose, Our Lady of the Rosary	987,126	651,226
28	Houma, Maria Immacolata	436,611	576,455
29	Houma, St. Bernadette Soubirous	1,293,399	1,212,132
30	Houma, St. Francis de Sales	3,513,424	3,134,433
31	Houma, St. Gregory	204,056	279,917
151	Central Catholic High School	483,539	564,328
152	Vandebilt Catholic High School	5,753,377	5,461,449
153	Edward Douglas White High School	6,169,092	5,974,868
151	Morgan City, Holy Cross Capital Campaign	12	12
130	St. Francis Prepaid Tuition	9,729	13,386
153	Edward Douglas White Foundation	318,629	299,454
		<u>\$ 27,405,453</u>	<u>\$ 25,787,412</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux**
*Schedule of Cemetery Operating Deposits
June 30, 2016 and 2015*

		<u>2016</u>	<u>2015</u>
01	Amelia, St. Andrew	\$ 56,762	\$ 54,398
02	Chacahoula, St. Lawrence	21,620	19,425
03	Chackbay, Our Lady of Prompt Succor	264,631	279,073
04	Gibson, St. Patrick	8,369	8,285
05	St. Charles Community, St. Charles Borromeo	142,324	133,178
08	Schriever, St. Bridget	147,107	168,808
10	Thibodaux, St. John the Evangelist	156,629	124,578
11	Thibodaux, St. Joseph	816,632	726,737
12	Kraemer, St. Lawrence the Martyr	59,364	54,859
13	Raceland, St. Mary's Nativity	484,637	456,662
14	Mathews, St. Hilary of Poitiers	362,173	350,824
15	Lockport, Holy Savior	106,813	179,045
16	Larose, Our Lady of the Rosary	220,641	312,178
17	Cut Off, Sacred Heart	250,588	289,835
18	Galliano, St. Joseph	126,903	122,878
19	Golden Meadow, Our Lady of Prompt Succor	31,487	49,620
22	Bayou Blue, St. Louis	234,310	238,461
23	Bourg, St. Ann	197,050	190,884
24	Chauvin, St. Joseph	900,027	902,299
25	Grand Caillou, Holy Family	55,409	53,368
27	Houma, Our Lady of the Most Holy Rosary	334,717	349,212
30	Houma, St. Francis de Sales	114,274	30,314
32	Montegut, Sacred Heart	76,445	89,158
33	Pointe-Aux-Chenes, St. Charles Borromeo	103,006	101,370
34	Theriot, St. Eloi	199,988	212,817
37	Choctaw, St. James Mission	93,473	89,611
41	Gheens, St. Anthony	34,783	32,702
		<u>\$ 5,600,162</u>	<u>\$ 5,620,579</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
Schedule of Parish and School Endowment Funds
June 30, 2016 and 2015

		<u>2016</u>	<u>2015</u>
Parish Endowments:			
06	Morgan City, Holy Cross	\$ 180,000	\$ 180,000
08	Schriever, St. Bridget	145,000	145,000
09	Thibodaux, St. Genevieve	500,000	500,000
11	Thibodaux, St. Joseph	4,218,068	4,167,968
14	Matthews, St. Hilary	137,437	134,712
15	Lockport, Holy Savior	50,000	50,000
18	Galliano, St. Joseph	480,000	480,000
24	Chauvin, St. Joseph	2,266,179	2,266,179
27	Houma, Holy Rosary	25,841	25,841
30	Houma, St. Francis de Sales	550,030	550,030
	Total Parish Endowments	<u>\$ 8,552,555</u>	<u>\$ 8,499,730</u>
School Endowments:			
06	Morgan City, Holy Cross	\$ 1,210,000	\$ 1,210,000
09	Thibodaux, St. Genevieve	114,100	114,100
11	Thibodaux, St. Joseph	3,006,550	3,006,550
13	Raceland, St. Mary	17,044	17,044
15	Lockport, Holy Savior	100,000	100,000
16	Larose, Our Lady of the Rosary	336,117	335,767
29	Houma, St. Bernadette	214,608	212,916
30	Houma, St. Francis de Sales	129,129	127,519
130	St. Francis School	73,944	73,944
151	Central Catholic High School	1,151,000	1,151,000
152	Vandebilt Catholic High School	814,019	814,019
153	Edward Douglas White High School	1,554,473	1,554,473
153	Edward Douglas White Foundation	802,873	802,873
	Total School Endowments	<u>\$ 9,523,857</u>	<u>\$ 9,520,205</u>

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU
Schedule of Operations of Parishes and Institutions (Unaudited)
Year Ended June 30, 2016

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Schedule 13

	Income	Expenditures	Excess (Deficiency) Of Income Over Expenditures
Amelia, Thanh Gia (Holy Family)	\$ 99,556	\$ 128,524	\$ (28,968)
Amelia, St. Andrew	165,658	166,721	(1,063)
Chacahoula, St. Lawrence	135,331	111,558	23,773
Chackbay, Our Lady of Prompt Succor	387,155	376,664	10,491
St. Charles Community, St. Charles Borromeo	317,539	323,954	(6,415)
Morgan City, Holy Cross	2,233,563	2,316,764	(83,201)
Stephensville, St. Rosalie Mission	38,757	16,015	22,742
Morgan City, Sacred Heart	555,264	627,404	(72,140)
Schriever, St. Bridget	265,192	315,168	(49,976)
Thibodaux, Christ the Redeemer	581,110	590,356	(9,246)
Thibodaux, St. Genevieve	2,700,695	2,682,527	18,168
Thibodaux, St. John	334,753	290,145	44,608
Thibodaux, St. Joseph	4,761,609	4,398,066	363,543
Kraemer, St. Lawrence	155,468	147,770	7,698
Choctaw, St. James Mission	36,903	47,220	(10,317)
Raceland, St. Mary	1,500,750	1,539,440	(38,690)
Mathews, St. Hilary	675,377	721,528	(46,151)
Lockport, Holy Savior	1,274,932	1,311,384	(36,452)
Gheens, St. Anthony	100,855	78,158	22,697
Larose, Our Lady of the Rosary	1,906,299	1,779,792	126,507
Cut Off, Sacred Heart	500,788	513,772	(12,984)
Galliano, St. Joseph	313,712	270,489	43,223
Golden Meadow, Our Lady of Prompt Succor	435,136	433,807	1,329
Grand Isle, Our Lady of the Isle	256,094	240,889	15,205
Bayou Black, St. Anthony	462,941	570,882	(107,941)
Bayou Blue, St. Louis	399,412	373,114	26,298
Bourg, St. Ann	604,474	390,841	213,633
Chauvin, St. Joseph	367,051	389,958	(22,907)
Grand Caillou, Holy Family	147,379	268,055	(120,676)
Houma, Annunziata	456,616	388,179	68,437
Houma, Holy Rosary	432,720	393,181	39,539
Houma, Maria Immacolata	1,594,841	1,471,808	123,033
Houma, St. Bernadette	2,913,843	2,832,052	81,791
Houma, St. Francis	4,386,773	3,851,414	535,359
Houma, St. Gregory	1,180,213	1,130,727	49,486
Montegut, Sacred Heart	143,854	133,297	10,557
Pointe-Aux-Chenes, St. Charles	109,774	177,792	(68,018)
Theriot, St. Eloi	145,361	160,612	(15,251)
Thibodaux, St. Thomas	469,641	444,758	24,883
Thibodaux, St. Luke	212,644	205,263	7,381
Houma, St. Lucy	229,905	229,243	662
Central Catholic High School	2,126,956	2,126,882	74
Edward Douglas White High School	7,347,206	7,195,096	152,110
Vandebilt Catholic High School	6,836,834	6,542,700	294,134
Grand Totals	\$ 50,300,934	\$ 48,703,969	\$ 1,596,965

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux**
*Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
Year Ended June 30, 2016*

Agency Head Name:

Most Rev. Shelton Fabre - Bishop of the Diocese of Houma-Thibodaux

No compensation, benefits or other payments were made to Bishop Fabre from public funds received by the Diocese.

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Lanaux & Felger

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A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MARK S. FELGER, CPA

**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**

His Excellency
Most Reverend Shelton Fabre, D.D.
Bishop of the Diocese of Houma-Thibodaux

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 consolidated financial statements of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (Diocese), which comprise the statement of financial position as of June 30, 2016, 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 4, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Diocese's internal control over financial reporting (internal control) to determine the 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 Diocese's internal control. Accordingly, we do not express an opinion on the effectiveness of the Diocese'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 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 have not been identified.

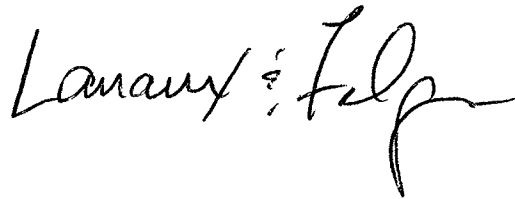
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Diocese's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Houma, Louisiana
November 4, 2016

A handwritten signature in black ink, appearing to read "Lanauy & Telp". The signature is fluid and cursive, with a large, stylized initial 'L' and a long, sweeping underline.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2016**

Section I – Summary of Auditor's Reports

- a. Financial Statements: Auditors' report expresses an unmodified opinion.
- b. Internal Control and Compliance:
- Internal control over financial reporting:
- Material weakness(es) identified ___ Yes XX No
 - Significant deficiency(ies) identified ___ Yes XX No
- Noncompliance material to financial statements noted ___ Yes XX No
- c. Federal Awards – Not Applicable.

Section II – Financial Statement Findings – Not Applicable.

Section III – Federal Award Findings and Questioned Costs – Not Applicable.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBOD AUX, OFFICES AND INSTITUTIONS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

No findings were noted

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not Applicable

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux, OFFICES AND INSTITUTIONS
MANAGEMENT'S CORRECTIVE ACTION PLAN
*Year Ended June 30, 2016***

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

No findings were noted requiring a response from management.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.